ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF KWA SANI MUNICIPALITY

May 2015

ANNUAL BUDGET OF KWA SANI MUNICIPALITY

2015/16 TO 2017/18
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
Dora	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

Introduction

To the Honourable Councillors, the Municipal Manager, Heads of Department, municipal officials and members of the community.

It is my pleasure, in my capacity as Mayor of the Kwa Sani Local Municipality, to present Draft medium term revenue and expenditure framework (MTREF) for the 2015/2016 financial year and ensuing two years. In terms of section 21(2) (a)-(c) of the MFMA – 'when preparing the annual budget, the mayor of a municipality must:

(a) Take into account the municipality's integrated development plan (IDP);

(b) take all reasonable steps to ensure that the municipality revises the IDP in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;

(c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act (DoRa) and any agreements reached in the Budget Forum'.

Thus taking into account the provision of the MFMA as stated above, I present to all present the draft MTREF for 2015/2016 to 2017/2018. The intention is to bring forth the highlights contained in the budget. It is always our stated intention, as the Kwa Sani Local Municipality, that the Final budget in each financial year be adopted be for the end of May and should be a product of rigorous review and extensive consultation such that the limited resources available are allocated towards satisfying the community's priorities and that the budget preparation process itself complies with relevant legislation.

Thus taking into account the legislation that regulates the entire budget preparation and approval processes, Council must, by the end of these proceedings, approve and adopt resolutions, in terms of section 24 of the MFMA, on the annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations and also the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as detailed in the municipality's MTREF document. The Council of Kwa Sani Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000), must also approve and adopt with effect from 1 July 2015, the tariffs for property rates, the tariffs for solid waste services and the tariffs for other services.

Background

The application of sound financial management principles for the compilation of the Kwa Sani Municipality budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Kwa Sani Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 70, 72 and 75 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- The unemployment in the community that we are serving, having a negative impact on the collect over revenue, and increasing number of indigents.
- Aging and poorly maintained infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Decreased funding of capital projects resulting in cutting of some of the projects that were supposed to be done in this financial year, thus delaying the service delivery; and
- Availability of affordable funding

The final budget presentation reflects the following consolidated (summary) estimates:

Table 1 Consolidated Overview of the 2015/16 MTERF

	ADJ. BUDGET 2014-2015	BUDGET YEAR 2015-2016	BUDGET YEAR 2016-2017	BUDGET YEAR 2017-2018
Total Operating Revenue	**43 649 903**	**44 088 232**	**42 313 847**	**47 047 494**
Total Operating Expenditure	**43 637 695**	**44 076 001**	**42 275 455**	**47 015 953**
(Surplus)/Deficit for the year	**12 208**	**12 231**	**38 391**	**31 541**
Own Funded Capital	**3 963 823**	**2 789 900**	**Nil**	**Nil**
MIG Funded Capital	**7 478 000**	**7 530 000**	**7 639 000**	**7 803 000**
TOTAL CAPITAL EXPENDITURE	**11 441 823**	**10 319 900**	**7 639 000**	**7 803 000**

I would like to bring forth some of the highlights contained within the budget:

Overview:

Total operating revenue has increased by 1 per cent or R0.438 million for the 2015/16 financial year when compared to the 2014/15 Final Budget as a result of an increase on grants. For the two outer years, operational revenue will decrease by 4% and increase by 11 per cent respectively. Total operating expenditure for the 2015/16 financial year has been appropriated at R44, 076 million when compared to the 2014/15 Final Budget, operational expenditure has increase by 1 per cent in the 2015/16 budget and by 4% and increase by 11 per cent for each of the respective outer years of the MTREF. The own funded capital was budgeted at R3.9 million in the previous years and is now budget at R2.7 million.

The capital budget of R 10, 3 million for 2015/16 is 9 per cent less when compared to the 2014/15 Final Budget. This is due to the decrease in municipal funded capital budget in the 2015/2016 financial year. The capital programme increases to R7.6 million in the 2016/17 financial year and then increase in 2017/18 to R7.8 million. Consequently, the capital budget remains relatively flat over the medium-term.

Departmental objectives for 2015/2016 are the following:

Budget and Treasury Office

The strategic objective of the Budget and treasury office is to manage the municipal financial resources in a way that will ensure financial viability and the alignment of the budget with the needs and priorities of stakeholders

- On Supply Chain Management will concentrate on local economic development, procurement plan (Enhance efficiency on departmental), healthy management of assets and efficiency on payments of providers
- Implement revenue collection systems by vigorously enforcing credit control and debt management and social responsibility on indigents, customer care issues revenue enhancement strategy, addition in billing for properties and MPRA (supplementary roll)
- Implement the financial plans that have emphasis on budget process, MTREF, service delivery and budget implementation plan and financial reporting.
- Management of Assets and Liability ensure proper controls are in place and Effective fleet management

Infrastructure and Engineering

Strategic objective	**Departmental Objective**	**Programmes**	**Funding Source**
To provide sustainable public facilities	**Buildings and Community Halls**	Maintenance of municipal buildings in all wards. Construction of Combo Courts	Internal Funds MIG
Provision of sustainable road infrastructure to KSM	**Roads & Storm Water**	Tarring of Woodford road and Old main road in Underberg. Maintenance of Roads	MIG and Internal Funds respectively. Internal Funds

CORPORATE SERVICES DEPARTMENT

Based on the operational plan of the department for the next financial year the department has identified many objectives but for the purposes of this session I am going to highlight only 5 key priorities for the year.

- Provision of general office management and administration services.
- Ensure proper records management within the municipality.
- To develop and improve skills level in the municipality.
- Implementation of performance management services within the municipality.

COMMUNITY AND SOCIAL SERVICES

COMMUNITY DEVELOPMENT

- Disaster management programs
- Firefighting programs
- HIV/Aids awareness campaigns

ARTS AND CULTURE

- Competition for music, song and dance
- Competition for literature
- Moral regeneration programs

PLANNING AND HOUSING DEPARTMENT

- Verification of the proposed nodes, implementation plans for each node, BP's, layout plans, zoning, building control

Housing Development

- Will be inviting proposals from the property developers for the development of Middle to High Income Housing (Residential Zoning)
- Completion of Low Cost Housing Projects by the KZN-Department of Housing

Local Economic Development & Tourism

- Implementation of LED & Tourism Projects : Funding Constraints reliance on grant funding from other potential funders

Local Economic Development

- Registration of SMME's /Individuals through CIPRO
- Assisting SMME's in various forms
- Production of white maize
- Live- stock Farming
- Recycling program
- Informal Sector Support
- Operation of Reichenau Small Business

Land Administration

- Acquisition of state land (process)
- Implementation of land policy as well as the enforcement

Revenue:

For Kwa Sani Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. The Municipality will have to implement a refuse removal strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel transporting of refuse and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of refuse removal function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

Expenditure:

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Repairs and Maintenance;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of 'no project plan, no budget'. If there is no business plan no funding allocation can be made.

The budgeted allocation for employee related costs for the 2015/16 financial year totals R20, 279 million. Based on the new Circular 75 released on the 04 March 2015, salary increases was factored in draft budget at a percentage increase of 4.4 per cent for the 2015/16 financial year but has been increased to 7% in the original budget and to 6,15% and to 5,85% in outer years respectively. The cost associated with the remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Kwa Sani municipality's budget.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

Ladies and gentlemen, may I take this opportunity to thank you for your attentiveness and your contribution in the on-going development of Kwa Sani.

Thank you

Councillor M. B Banda

Mayor of Kwa Sani Municipality

1.2 Council Resolutions

On the 29 May 2015 the council of KwaSani Municipality met Himeville Hall to consider the 2015/16 – 2017/18 Budget. The budget, budget related policies and procedures, tariffs of charges & supporting document (Schedule A), was adopted by the council of KwaSani Local Municipality. **Resolution No. 44/MAY/2015**

1. The Council of Kwa Sani Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approved:

    1.1. The Budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
        1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 9 on page 18;
        1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 10 on page 19;
        1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 11 on page 20; and
        1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 12 on page 21

    1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
        1.2.1. Budgeted Financial Position as contained in Table 13 on page 23;
        1.2.2. Budgeted Cash Flows as contained in Table 14 on page 24;
        1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 15 on page 25;
        1.2.4. Asset management as contained in Table 16 on page 26; and
        1.2.5. Basic service delivery measurement as contained in Table 17 on page 28.

2. The Council of Kwa Sani Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the proposal for the increment of tariffs by 4.8% with effect from 1 July 2015 which the Budget has been prepared based on it and Tariffs of charges for 2015/2016 as outlined in page 82 to 91.

3. To give proper effect to the municipality's Budget, it must further be noted that:

    3.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality's remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. This has resulted in savings to the municipality.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 70, 71, 74 and 75 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and buildings infrastructure;
- The need to re-priorities projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Expected Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 draft budget;

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN432 Kwa Sani - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	10,001	11,739	12,488	13,483	13,630	13,630	13,630	14,116	14,949	15,786
Property rates - penalties & collection charges		784	732	2,842	1,070	929	929	929	1,056	1,175	2,338
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	1,925	2,121	2,123	2,164	2,257	2,257	2,257	2,360	2,499	2,639
Service charges - other											
Rental of facilities and equipment		242	298	303	353	320	320	320	461	483	990
Interest earned - external investments		820	931	1,190	1,541	1,176	1,176	1,176	1,257	1,317	2,698
Interest earned - outstanding debtors						188	188	188	194	206	217
Dividends received											
Fines		125	73	110	107	118	118	118	84	89	94
Licences and permits		99	65	201	742	454	454	454	826	874	923
Agency services											
Transfers recognised - operational		14,989	17,058	23,656	18,253	18,253	18,253	18,253	21,536	18,575	19,096
Other revenue	2	446	409	454	2,305	6,326	6,326	6,326	2,199	2,148	2,267
Gains on disposal of PPE		78									
Total Revenue (excluding capital transfers and contributions)		**29,508**	**33,427**	**43,368**	**40,017**	**43,649**	**43,649**	**43,649**	**44,088**	**42,314**	**47,047**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Property Rates and service charges have been increased by 4.8% due to the anticipated inflation rate as outlined in circular 74. All other Revenue has been increased by 4.8% anticipated inflation rate.

There is an expected increase in revenue to be generated from licenses and permits for the municipality. This relates to re-opening of the Licensing Centre to generate additional revenue. Revenue estimates was obtained from the Department of Transport to determine the extent of revenue that will be generated. The municipality has opted to take the conservative approach to prevent over estimating revenue raised. These new operations commenced in the month of May 2015.

Table 3 Transfers and Grant Receipts

2014/2015 BUDGET	2014/2015 ORIGINAL	2014/2015 ADJUSTED	2015/2016 DRAFT BUDGET	2016/2017	2017/2018
GOVERNMENT EQUITABLE SHARE	-13,627,000	-13,627,000	-15,076,000	-15,032,000	-14,642,000
MUN FIN MANAGEMENT GRANT	-1,800,000	-1,800,000	-1,800,000	-1,825,000	-1,900,000
MSIG GRANT	-934,000	-934,000	-930,000	-957,000	-1,033,000
OTHER - DEMARCATION GRANT	0	0	-1,857,000	0	0
Arts and Culture Grants	-661,000	-661,000	-723,000	-761,000	-800,000
Sports Grant Income	-150,000	-150,000	-150,000	0	0
MIG GRANT	-7,478,000	-7,478,000	-7,530,000	-7,639,000	-7,803,000
INTERNAL CONTROL GRANT INCOME	0	0	0	0	0
ELECTRIFICATION GRANT	0	0	0	0	-721,000
EPWP-Incentive grant	-1,081,000	-1,081,000	-1,000,000	0	0
Stepmore Housing Grant	0	0	0	0	0
Sub Total	**-25,731,000**	**-25,731,000**	**-29,066,000**	**-26,214,000**	**-26,899,000**

Operating and capital grants and transfers totals R 29,0 million in the 2015/16 financial year and steadily decreases to R 26,2 million by 2016/17 and increases to R 26,8 million in 2017/2018 .

Tariff setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.8 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year are based on 4.8 % increase from 1 July 2015.

Currently solid waste removal is not operating in the desired manner. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. Also, measures will have to be implemented to ensure that this service is offered equitably to all residents in the KSM region. The tariff for each category of refuse will increase by 4.8% in the 2015/16 financial year.

1.3.2 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by standard classification item

KZN432 Kwa Sani - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type											
Employee related costs	2	12,169	12,596	15,169	18,707	18,338	18,338	18,338	18,403	19,681	20,845
Remuneration of councillors		995	1,461	1,561	1,541	1,691	1,691	1,691	1,876	1,992	2,108
Debt impairment	3	439	2,105	3,593		–			115	121	128
Depreciation & asset impairment	2	1,593	1,891	2,750	2,078	2,237	2,237	2,237	3,038	3,067	3,339
Finance charges		185	214	266	160	160	160	160	151	129	117
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8										
Contracted services		4,173	5,153	3,733	7,733	10,077	10,077	10,077	4,031	4,069	4,497
Transfers and grants		–	–	–	558	228	228	228	428	453	478
Other expenditure	4, 5	10,195	9,915	11,674	9,228	10,905	10,905	10,905	16,035	12,762	15,502
Loss on disposal of PPE											
Total Expenditure		**29,751**	**33,336**	**38,746**	**40,005**	**43,637**	**43,637**	**43,637**	**44,076**	**42,276**	**47,015**

The Employee related cost estimated to increase by 7 % considering the negotiations that are still in progress. All other line items have been increased by 4.8 % which is the projected inflation rate. For the purposes of this budget preparation all provincial and national unspent conditional grants have not been included in the budget and will be included in the adjustment budget 2015/16 subject to Rollover approval by the donor departments.

1.3.4 REPAIRS AND MAINTENANCE

The tables below shows audited figures for 2011/2012 to 2013/2014 repairs and maintenance by asset class and Budgeted Financial Position. The PPE for 2013/2014 is R 59 016 000, 15% of this are land buildings which does not need major maintenance. 43% of PPE are roads which need major repairs and maintenance, the municipality does not have enough funds to maintain its roads but it will ensure that all savings to other budget line items are transferred to the maintenance of roads through adjustment budget during the year. The budget for R & M for other assets would meet the required maintenance.

Table 5 Repairs and Maintenance by Asset class

KZN432 Kwa Sani - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**–**	**1,415**	**647**	**1,062**	**1,725**	**1,725**	**1,358**	**1,333**	**1,406**
Infrastructure - Road transport		–	1,382	620	1,019	1,653	1,653	1,358	1,333	1,406
Roads, Pavements & Bridges			1,382	620	1,019	1,653	1,653	1,358	1,333	1,406
Storm water										
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	33	27	43	72	72	–	–	–
Waste Management			33	27	43					
Transportation	2									
Gas										
Other	3					72	72			
Community		**417**	**9**	**12**	**36**	**56**	**56**	**223**	**236**	**249**
Parks & gardens										
Sportsfields & stadia		52								
Swimming pools										
Community halls		365	9	12	25	56	56	211	223	236
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other					11		–	12	13	14
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development										
Other										
Other assets		**1,398**	**321**	**333**	**383**	**406**	**406**	**652**	**710**	**870**
General vehicles			138	174	164			228	261	276
Specialised vehicles	10	–	107	82	119	–	–	64	68	71
Plant & equipment		52			20					
Computers - hardware/equipment		200			17			10	11	11
Furniture and other office equipment		122						3	3	4
Abattoirs										
Markets										
Civic Land and Buildings			38	27						
Other Buildings		573	29	46	42			191	202	334
Other Land		382	9	4						
Surplus Assets - (Investment or Inventory)										
Other		69			20	406	406	156	165	174
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	**1,815**	**1,745**	**991**	**1,481**	**2,187**	**2,187**	**2,233**	**2,279**	**2,525**
Specialised vehicles		**–**	**107**	**82**	**119**	**–**	**–**	**64**	**68**	**71**
Refuse			107	82	119			64	68	71
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		*4.0%*	*4.0%*	*1.7%*	*1.9%*	*2.8%*	*2.8%*	*2.6%*	*2.5%*	*2.7%*
R&M as % Operating Expenditure		*6.1%*	*5.2%*	*2.6%*	*3.7%*	*5.0%*	*5.0%*	*5.2%*	*5.5%*	*5.5%*

Table 6 Budgeted Financial Position

KZN432 Kwa Sani - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		2,409	24,003	25,868	5,247	25,044	25,044	25,044	3,961	6,111	8,507
Call investment deposits	1	20,386	–	–	17,847	–	–	–	20,000	20,000	20,000
Consumer debtors	1	5,525	5,443	1,701	4,583	4,583	4,583	4,583	4,083	3,583	3,083
Other debtors		867	2,017	2,469	2,178	2,178	2,178	2,178	2,128	2,078	2,028
Current portion of long-term receivables											
Inventory	2	6	6	6							
Total current assets		**29,194**	**31,469**	**30,044**	**29,856**	**31,805**	**31,805**	**31,805**	**30,172**	**31,772**	**33,617**
Non current assets											
Long-term receivables											
Investments											
Investment property		18,970	10,661	10,661	10,661	10,661	10,661	10,661	10,661	10,661	10,661
Investment in Associate											
Property, plant and equipment	3	43,534	43,873	59,016	76,119	78,958	78,958	78,958	86,240	90,812	95,275
Agricultural											
Biological											
Intangible				77	73	77	77	77	77	77	77
Other non-current assets											
Total non current assets		**62,504**	**54,534**	**69,754**	**86,854**	**89,696**	**89,696**	**89,696**	**96,978**	**101,550**	**106,014**
TOTAL ASSETS		**91,697**	**86,004**	**99,798**	**116,709**	**121,501**	**121,501**	**121,501**	**127,150**	**133,321**	**139,631**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	827	921	721	823	1,086	1,086	1,086	1,086	882	787
Consumer deposits		6	6	6	6	6	6	6	6	6	6
Trade and other payables	4	19,963	18,139	16,527	9,208	13,708	13,708	13,708	7,499	7,499	7,499
Provisions		1,070	3,208	2,501							
Total current liabilities		**21,865**	**22,274**	**19,754**	**10,038**	**14,800**	**14,800**	**14,800**	**8,591**	**8,387**	**8,292**
Non current liabilities											
Borrowing		3,185	2,266	1,569	1,170	1,569	1,569	1,569	833	724	607
Provisions		401	506	–	2,497	3,070	3,070	3,070	–	–	–
Total non current liabilities		**3,587**	**2,772**	**1,569**	**3,667**	**4,639**	**4,639**	**4,639**	**833**	**724**	**607**
TOTAL LIABILITIES		**25,452**	**25,046**	**21,323**	**13,705**	**19,439**	**19,439**	**19,439**	**9,424**	**9,111**	**8,899**
NET ASSETS	5	**66,245**	**60,958**	**78,475**	**103,004**	**102,062**	**102,062**	**102,062**	**117,727**	**124,210**	**130,732**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		66,245	58,601	75,769	99,619	99,356	99,356	99,356	115,021	121,505	128,026
Reserves	4	–	2,357	2,706	3,385	2,706	2,706	2,706	2,706	2,706	2,706
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	**66,245**	**60,958**	**78,475**	**103,004**	**102,062**	**102,062**	**102,062**	**117,727**	**124,210**	**130,732**

1.3.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 7 – Capital Expenditure by vote, standard classification and funding

KZN432 Kwa Sani - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Municipal Vote Multi-year expenditure appropriation	2										
Vote 1 - Municipal governance and administratio		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		–	–	–	–	–	–	–	–	–	–
Capital expenditure - Municipal Vote Single-year expenditure appropriation	2										
Vote 1 - Governance & Administration		900	34	1,257	895	539	539	539	890	–	–
Executive and council		–	6	217	501	41	41	41	625		
Budget and treasury office		900	28	898	269	429	429	429	161		
Corporate Services				142	125	69	69	69	104		
Vote 2 - Community & Public Safety		3,457	2,604	9,844	5,281	5,645	5,645	5,645	70	–	–
Community and social services		3,457	2,604	9,844	4,961	5,276	5,276	5,276	70	–	–
Sport and recreation											
Public safety					320	370	370	370			
Vote 3 - Trading Services		–	–	254	265	–	–	–	–	–	–
Waste Management				254	265	–	–		–		
Vote 4 - Economic and Environmental Services		4,437	6,156	2,942	4,422	5,254	5,254	5,254	9,356	7,639	7,803
Planning and Development		–	6,156		91	5,224	5,224	5,224	9,356	7,639	7,803
Roads and Transport		4,437		2,942	4,331	30	30	30	–		
Vote 5 - Other		–	–	–	–	3	3	3	4	–	–
Tourism						3	3	3	4		
Capital single-year expenditure sub-total		8,794	8,794	14,299	10,863	11,442	11,442	11,442	10,320	7,639	7,803
Total Capital Expenditure		8,794	8,794	14,299	10,863	11,442	11,442	11,442	10,320	7,639	7,803

For 2015/16 an amount of R7,5 million has been appropriated for the development of infrastructure in the total capital budget. In the outer years this amount totals R7,6 million and R7,8 million respectively for each of the financial years.

1.4 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF.

1.4.1 Table 8 MBRR Table A1 - Budget Summary

KZN432 Kwa Sani - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	**10,785**	12,472	15,329	14,553	14,559	14,559	14,559	15,172	16,123	18,123
Service charges	1,925	2,121	2,123	2,164	2,257	2,257	2,257	2,360	2,499	2,639
Investment revenue	820	931	1,190	1,541	1,176	1,176	1,176	1,257	1,317	2,698
Transfers recognised - operational	15,040	17,058	23,656	18,253	18,253	18,253	18,253	21,536	18,575	19,096
Other own revenue	989	845	1,069	3,507	7,405	7,405	7,405	3,764	3,800	4,491
Total Revenue (excluding capital transfers and contributions)	29,559	33,427	43,368	40,017	43,649	43,649	43,649	44,088	42,314	47,047
Employee costs	12,169	12,596	15,169	18,707	18,338	18,338	18,338	18,403	19,681	20,845
Remuneration of councillors	995	1,461	1,561	1,541	1,691	1,691	1,691	1,876	1,992	2,108
Depreciation & asset impairment	1,593	1,891	2,750	2,078	2,237	2,237	2,237	3,038	3,067	3,339
Finance charges	185	214	266	160	160	160	160	151	129	117
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	558	228	228	228	428	453	478
Other expenditure	14,933	17,173	19,000	16,960	20,982	20,982	20,982	20,180	16,953	20,127
Total Expenditure	29,876	33,336	38,746	40,005	43,637	43,637	43,637	44,076	42,276	47,015
Surplus/(Deficit)	(317)	90	4,621	12	12	12	12	12	38	32
Transfers recognised - capital	7,793	9,406	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	7,476	9,496	13,704	7,490	7,490	7,490	7,490	7,542	7,677	7,835
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	7,476	9,496	13,704	7,490	7,490	7,490	7,490	7,542	7,677	7,835
Capital expenditure & funds sources										
Capital expenditure	**8,794**	8,794	14,299	10,863	11,442	11,442	11,442	10,320	7,639	7,803
Transfers recognised - capital	**7,793**	7,895	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**28**	844	–	493	–	–	–	–	–	–
Internally generated funds	**974**	55	5,216	2,892	3,964	3,964	3,964	2,790	–	–
Total sources of capital funds	**8,794**	8,794	14,299	10,863	11,442	11,442	11,442	10,320	7,639	7,803
Financial position										
Total current assets	**29,194**	31,469	30,044	29,856	31,805	31,805	31,805	30,172	31,772	33,617
Total non current assets	**62,504**	54,534	69,754	86,854	89,696	89,696	89,696	96,978	101,550	106,014
Total current liabilities	**21,865**	22,274	19,754	10,038	14,800	14,800	14,800	8,591	8,387	8,292
Total non current liabilities	**3,587**	2,772	1,569	3,667	4,639	4,639	4,639	833	724	607
Community wealth/Equity	**66,245**	60,958	78,475	103,004	102,062	102,062	102,062	117,727	124,210	130,732
Cash flows										
Net cash from (used) operating	**10,976**	12,036	16,751	7,040	8,660	8,660	8,660	9,973	10,102	10,411
Net cash from (used) investing	**(8,794)**	(9,473)	(14,268)	(10,762)	11,223	11,223	11,223	(10,320)	(7,639)	(7,803)
Net cash from (used) financing	**7,531**	(1,440)	(533)	(1,993)	(1,086)	(1,086)	(1,086)	(736)	(313)	(212)
Cash/cash equivalents at the year end	**22,795**	23,917	25,868	6,247	25,044	25,044	25,044	23,961	26,111	28,507
Cash backing/surplus reconciliation										
Cash and investments available	**22,795**	24,003	25,868	23,095	25,044	25,044	25,044	23,961	26,111	28,507
Application of cash and investments	**12,574**	11,778	14,471	4,201	9,152	9,152	9,152	2,900	3,442	3,980
Balance - surplus (shortfall)	**10,221**	12,225	11,396	18,893	15,892	15,892	15,892	21,061	22,669	24,527
Asset management										
Asset register summary (WDV)	**62,504**	54,534	69,754	86,854	89,696	89,696	96,978	96,978	101,550	106,014
Depreciation & asset impairment	**1,593**	1,891	2,750	2,078	2,237	2,237	3,038	3,038	3,067	3,339
Renewal of Existing Assets	**4,437**	8,101	13,025	5,276	6,754	6,754	6,754	8,689	7,639	7,803
Repairs and Maintenance	**1,815**	1,745	991	1,481	2,187	2,187	2,233	2,233	2,279	2,525
Free services										
Cost of Free Basic Services provided	**222**	305	188	188	228	228	428	428	453	478
Revenue cost of free services provided	**16,335**	16,335	15,040	15,040	8,370	8,370	15,993	15,993	16,936	17,884
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	1	–	1	1	1	1	1	1	1	1

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

1.4.2 Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN432 Kwa Sani - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		**34,723**	**38,848**	**43,120**	**43,020**	**44,207**	**44,207**	**45,854**	**45,070**	**48,977**
Executive and council		480	539	1,409	2,638	3,046	3,046	1,386	1,449	1,513
Budget and treasury office		34,243	38,309	41,711	40,382	41,161	41,161	44,468	43,622	47,464
Corporate services		–	–	–	–	–	–	–	–	–
Community and public safety		**559**	**1,383**	**6,644**	**948**	**3,284**	**3,284**	**1,972**	**866**	**1,632**
Community and social services		434	1,310	6,534	841	3,167	3,167	1,888	777	1,538
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		125	73	110	107	118	118	84	89	94
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**516**	**183**	**511**	**1,176**	**1,151**	**1,151**	**1,237**	**1,310**	**1,384**
Planning and development		417	118	310	435	702	702	416	440	465
Road transport		99	65	201	741	449	449	821	870	918
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**1,554**	**2,394**	**2,152**	**2,313**	**2,447**	**2,447**	**2,555**	**2,707**	**2,858**
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		1,554	2,394	2,152	2,313	2,447	2,447	2,555	2,707	2,858
Other	4	**–**	**25**	**24**	**38**	**39**	**39**	**–**	**–**	**–**
Total Revenue - Standard	2	**37,352**	**42,833**	**52,451**	**47,495**	**51,127**	**51,127**	**51,618**	**49,953**	**54,850**
Expenditure - Standard										
Governance and administration		**15,782**	**17,024**	**22,350**	**21,560**	**24,374**	**24,374**	**26,501**	**24,232**	**27,863**
Executive and council		4,867	7,002	11,439	6,742	7,659	7,659	8,086	8,325	9,743
Budget and treasury office		10,915	10,022	9,482	11,777	13,821	13,821	15,938	13,457	15,358
Corporate services		–	–	1,429	3,041	2,894	2,894	2,477	2,450	2,761
Community and public safety		**6,603**	**9,842**	**11,020**	**11,816**	**12,312**	**12,312**	**9,962**	**10,317**	**10,981**
Community and social services		4,089	6,190	9,018	8,854	9,984	9,984	7,754	8,076	8,552
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		2,514	3,652	2,002	2,961	2,328	2,328	2,208	2,241	2,429
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**3,637**	**3,983**	**3,179**	**3,261**	**3,766**	**3,766**	**3,458**	**3,559**	**3,765**
Planning and development		2,458	1,938	1,978	2,430	2,799	2,799	2,591	2,549	2,696
Road transport		1,179	2,045	1,201	831	967	967	867	1,010	1,069
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**3,216**	**1,596**	**1,458**	**2,256**	**1,768**	**1,768**	**2,562**	**2,639**	**2,791**
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		3,216	1,596	1,458	2,256	1,768	1,768	2,562	2,639	2,791
Other	4	**638**	**891**	**739**	**1,113**	**1,417**	**1,417**	**1,593**	**1,529**	**1,615**
Total Expenditure - Standard	3	**29,876**	**33,336**	**38,746**	**40,005**	**43,637**	**43,637**	**44,076**	**42,276**	**47,015**
Surplus/(Deficit) for the year		**7,476**	**9,496**	**13,704**	**7,490**	**7,490**	**7,490**	**7,542**	**7,677**	**7,835**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. The Total Revenue on this table includes capital revenues (Transfers recognised – capital).

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Governance and Trading functions, but not the Economic, Community and Public Services and Other function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Governance Vote.

1.4.3 Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN432 Kwa Sani - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Governance & Administration		34,723	38,848	43,120	43,020	44,207	44,207	45,854	45,070	48,977
Vote 2 - Community & Public Safety		559	1,383	6,644	948	3,284	3,284	1,972	866	1,632
Vote 3 - Trading Services		1,554	2,394	2,152	2,313	2,447	2,447	2,555	2,707	2,858
Vote 4 - Economic and Environmental Services		516	183	511	1,176	1,151	1,151	1,237	1,310	1,384
Vote 5 - Other		–	25	24	38	39	39	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**37,352**	**42,833**	**52,451**	**47,495**	**51,127**	**51,127**	**51,618**	**49,953**	**54,850**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Governance & Administration		15,782	17,024	22,350	21,560	24,374	24,374	26,501	24,232	27,863
Vote 2 - Community & Public Safety		6,603	9,842	11,020	11,816	12,312	12,312	9,962	10,317	10,981
Vote 3 - Trading Services		3,216	1,596	1,458	2,256	1,768	1,768	2,562	2,639	2,791
Vote 4 - Economic and Environmental Services		3,637	3,983	3,179	3,261	3,766	3,766	3,458	3,559	3,765
Vote 5 - Other		638	891	739	1,113	1,417	1,417	1,593	1,529	1,615
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**29,876**	**33,336**	**38,746**	**40,005**	**43,637**	**43,637**	**44,076**	**42,276**	**47,015**
Surplus/(Deficit) for the year	2	**7,476**	**9,496**	**13,704**	**7,490**	**7,490**	**7,490**	**7,542**	**7,677**	**7,835**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the Organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

1.4.4 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN432 Kwa Sani - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	10,001	11,739	12,488	13,483	13,630	13,630	13,630	14,116	14,949	15,786
Property rates - penalties & collection charges		784	732	2,842	1,070	929	929	929	1,056	1,175	2,338
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	1,925	2,121	2,123	2,164	2,257	2,257	2,257	2,360	2,499	2,639
Service charges - other											
Rental of facilities and equipment		242	298	303	353	320	320	320	461	483	990
Interest earned - external investments		820	931	1,190	1,541	1,176	1,176	1,176	1,257	1,317	2,698
Interest earned - outstanding debtors						188	188	188	194	206	217
Dividends received											
Fines		125	73	110	107	118	118	118	84	89	94
Licences and permits		99	65	201	742	454	454	454	826	874	923
Agency services											
Transfers recognised - operational		15,040	17,058	23,656	18,253	18,253	18,253	18,253	21,536	18,575	19,096
Other revenue	2	446	409	454	2,305	6,326	6,326	6,326	2,199	2,148	2,267
Gains on disposal of PPE		78									
Total Revenue (excluding capital transfers and contributions)		**29,559**	**33,427**	**43,368**	**40,017**	**43,649**	**43,649**	**43,649**	**44,088**	**42,314**	**47,047**
Expenditure By Type											
Employee related costs	2	12,169	12,596	15,169	18,707	18,338	18,338	18,338	18,403	19,681	20,845
Remuneration of councillors		995	1,461	1,561	1,541	1,691	1,691	1,691	1,876	1,992	2,108
Debt impairment	3	439	2,105	3,593		–			115	121	128
Depreciation & asset impairment	2	1,593	1,891	2,750	2,078	2,237	2,237	2,237	3,038	3,067	3,339
Finance charges		185	214	266	160	160	160	160	151	129	117
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8										
Contracted services		4,173	5,153	3,733	7,733	10,077	10,077	10,077	4,031	4,069	4,497
Transfers and grants		–	–	–	558	228	228	228	428	453	478
Other expenditure	4, 5	10,321	9,915	11,674	9,228	10,905	10,905	10,905	16,035	12,762	15,502
Loss on disposal of PPE											
Total Expenditure		**29,876**	**33,336**	**38,746**	**40,005**	**43,637**	**43,637**	**43,637**	**44,076**	**42,276**	**47,015**
Surplus/(Deficit)		**(317)**	**90**	**4,621**	**12**	**12**	**12**	**12**	**12**	**38**	**32**
Transfers recognised - capital		7,793	9,406	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		**7,476**	**9,496**	**13,704**	**7,490**	**7,490**	**7,490**	**7,490**	**7,542**	**7,677**	**7,835**
Taxation											
Surplus/(Deficit) after taxation		**7,476**	**9,496**	**13,704**	**7,490**	**7,490**	**7,490**	**7,490**	**7,542**	**7,677**	**7,835**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**7,476**	**9,496**	**13,704**	**7,490**	**7,490**	**7,490**	**7,490**	**7,542**	**7,677**	**7,835**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**7,476**	**9,496**	**13,704**	**7,490**	**7,490**	**7,490**	**7,490**	**7,542**	**7,677**	**7,835**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 44, 076 million in 2015/16 and increases to R 47,047 million in 2017/18 due to increase in grants receipt which decreased in 2016/2017.
2. Revenue to be generated from property rates is R14 million in the 2015/16 financial year and increases to R 14,9 million in 2016/2017 and to R 15,7 million 2017/18 which represents 4,8% increase in 2015/16 ; 5.9% in 2016/17 & 5.6% in 2016/2017. Rates remain a significant funding source for the municipality.
3. Services charges relating to refuse removal constitute R2 million of the revenue basket of KSM.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.

1.4.5 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table 12 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN432 Kwa Sani - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Municipal governance and administration		–	–	–	–	–	–	–	–	–	–
Vote 2 - Community and public safety		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic and environmental services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Trading services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Other		–	–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Municipal governance and administration		900	34	1,257	895	539	539	539	890	–	–
Vote 2 - Community and public safety		3,457	2,604	9,844	5,281	5,645	5,645	5,645	70	–	–
Vote 3 - Economic and environmental services		–	–	254	265	–	–	–	–	–	–
Vote 4 - Trading services		4,437	6,156	2,942	4,422	5,254	5,254	5,254	9,356	7,639	7,803
Vote 5 - Other		–	–	–	–	3	3	3	4	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**8,794**	**8,794**	**14,299**	**10,863**	**11,442**	**11,442**	**11,442**	**10,320**	**7,639**	**7,803**
Total Capital Expenditure - Vote		**8,794**	**8,794**	**14,299**	**10,863**	**11,442**	**11,442**	**11,442**	**10,320**	**7,639**	**7,803**
Capital Expenditure - Standard											
Governance and administration		**900**	**34**	**1,257**	**895**	**539**	**539**	**539**	**890**	**–**	**–**
Executive and council			6	217	501	41	41	41	625		
Budget and treasury office		900	28	898	269	429	429	429	161		
Corporate services				142	125	69	69	69	104		
Community and public safety		**3,457**	**2,604**	**9,844**	**5,281**	**5,645**	**5,645**	**5,645**	**70**	**–**	**–**
Community and social services		3,457	2,604	9,844	4,961	5,276	5,276	5,276	70		
Sport and recreation											
Public safety					320	370	370	370	–		
Housing											
Health											
Economic and environmental services		**4,437**	**6,156**	**2,942**	**4,422**	**5,254**	**5,254**	**5,254**	**9,356**	**7,639**	**7,803**
Planning and development			6,156		91	5,224	5,224	5,224	9,356	7,639	7,803
Road transport		4,437	–	2,942	4,331	30	30	30	–		
Environmental protection											
Trading services		**–**	**–**	**254**	**265**	**3**	**3**	**3**	**–**	**–**	**–**
Electricity											
Water											
Waste water management											
Waste management				254	265	3	3	3	–		
Other									**4**		
Total Capital Expenditure - Standard	3	**8,794**	**8,794**	**14,299**	**10,863**	**11,442**	**11,442**	**11,442**	**10,320**	**7,639**	**7,803**
Funded by:											
National Government		7,793	7,895	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	**7,793**	**7,895**	**9,083**	**7,478**	**7,478**	**7,478**	**7,478**	**7,530**	**7,639**	**7,803**
Public contributions & donations	5										
Borrowing	6	28	844	–	493	–					
Internally generated funds		974	55	5,216	2,892	3,964	3,964	3,964	2,790	–	–
Total Capital Funding	7	**8,794**	**8,794**	**14,299**	**10,863**	**11,442**	**11,442**	**11,442**	**10,320**	**7,639**	**7,803**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R 10,3 million for the 2015/16 financial year, to R 7,6 million and R 7,8 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of KSM. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against multi-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses.

1.4.6 MBRR Table A6 - Budgeted Financial Position

Table 13 MBRR Table A6 - Budgeted Financial Position

KZN432 Kwa Sani - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		2,409	24,003	25,868	5,247	25,044	25,044	25,044	3,961	6,111	8,507
Call investment deposits	1	20,386	–	–	17,847	–	–	–	20,000	20,000	20,000
Consumer debtors	1	5,525	5,443	1,701	4,583	4,583	4,583	4,583	4,083	3,583	3,083
Other debtors		867	2,017	2,469	2,178	2,178	2,178	2,178	2,128	2,078	2,028
Current portion of long-term receivables											
Inventory	2	6	6	6							
Total current assets		**29,194**	**31,469**	**30,044**	**29,856**	**31,805**	**31,805**	**31,805**	**30,172**	**31,772**	**33,617**
Non current assets											
Long-term receivables											
Investments											
Investment property		18,970	10,661	10,661	10,661	10,661	10,661	10,661	10,661	10,661	10,661
Investment in Associate											
Property, plant and equipment	3	43,534	43,873	59,016	76,119	78,958	78,958	78,958	86,240	90,812	95,275
Agricultural											
Biological											
Intangible				77	73	77	77	77	77	77	77
Other non-current assets											
Total non current assets		**62,504**	**54,534**	**69,754**	**86,854**	**89,696**	**89,696**	**89,696**	**96,978**	**101,550**	**106,014**
TOTAL ASSETS		**91,697**	**86,004**	**99,798**	**116,709**	**121,501**	**121,501**	**121,501**	**127,150**	**133,321**	**139,631**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	827	921	721	823	1,086	1,086	1,086	1,086	882	787
Consumer deposits		6	6	6	6	6	6	6	6	6	6
Trade and other payables	4	19,963	18,139	16,527	9,208	13,708	13,708	13,708	7,499	7,499	7,499
Provisions		1,070	3,208	2,501							
Total current liabilities		**21,865**	**22,274**	**19,754**	**10,038**	**14,800**	**14,800**	**14,800**	**8,591**	**8,387**	**8,292**
Non current liabilities											
Borrowing		3,185	2,266	1,569	1,170	1,569	1,569	1,569	833	724	607
Provisions		401	506	–	2,497	3,070	3,070	3,070	–	–	–
Total non current liabilities		**3,587**	**2,772**	**1,569**	**3,667**	**4,639**	**4,639**	**4,639**	**833**	**724**	**607**
TOTAL LIABILITIES		**25,452**	**25,046**	**21,323**	**13,705**	**19,439**	**19,439**	**19,439**	**9,424**	**9,111**	**8,899**
NET ASSETS	5	**66,245**	**60,958**	**78,475**	**103,004**	**102,062**	**102,062**	**102,062**	**117,727**	**124,210**	**130,732**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		66,245	58,601	75,769	99,619	99,356	99,356	99,356	115,021	121,505	128,026
Reserves	4	–	2,357	2,706	3,385	2,706	2,706	2,706	2,706	2,706	2,706
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	**66,245**	**60,958**	**78,475**	**103,004**	**102,062**	**102,062**	**102,062**	**117,727**	**124,210**	**130,732**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

1.4.7 MBRR Table A7 - Budgeted Cash Flow Statement

Table 14 MBRR Table A7 - Budgeted Cash Flow Statement

KZN432 Kwa Sani - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		10,785	5,868	11,749	19,117	23,153	23,153	23,153	14,413	15,317	17,217
Service charges		1,925	2,286	2,123					2,242	2,374	2,507
Other revenue		2,374	381	942					3,391	3,414	4,060
Government - operating	1	15,040	17,059	16,840	18,253	18,253	18,253	18,253	21,536	18,575	19,096
Government - capital	1	7,793	9,405	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Interest		825	931	1,190	1,541	1,176	1,176	1,176	1,441	1,513	2,905
Dividends		–	–						–	–	–
Payments											
Suppliers and employees		(27,533)	(23,680)	(24,910)	(39,189)	(41,240)	(41,240)	(41,240)	(40,241)	(38,401)	(42,848)
Finance charges		(233)	(214)	(266)	(160)	(160)	(160)	(160)	(151)	(129)	(117)
Transfers and Grants	1	–	–						(189)	(200)	(211)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**10,976**	**12,036**	**16,751**	**7,040**	**8,660**	**8,660**	**8,660**	**9,973**	**10,102**	**10,411**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				114	101	101	101	101	–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables							–	–	–	–	–
Decrease (increase) in non-current investments						22,564	22,564	22,564	–	–	–
Payments											
Capital assets		(8,794)	(9,473)	(14,382)	(10,863)	(11,442)	(11,442)	(11,442)	(10,320)	(7,639)	(7,803)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8,794)**	**(9,473)**	**(14,268)**	**(10,762)**	**11,223**	**11,223**	**11,223**	**(10,320)**	**(7,639)**	**(7,803)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		7,972							–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(441)	(1,440)	(533)	(1,993)	(1,086)	(1,086)	(1,086)	(736)	(313)	(212)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**7,531**	**(1,440)**	**(533)**	**(1,993)**	**(1,086)**	**(1,086)**	**(1,086)**	**(736)**	**(313)**	**(212)**
NET INCREASE/ (DECREASE) IN CASH HELD		**9,713**	**1,123**	**1,951**	**(5,716)**	**18,797**	**18,797**	**18,797**	**(1,083)**	**2,150**	**2,396**
Cash/cash equivalents at the year begin:	2	**13,082**	**22,795**	**23,917**	**11,963**	**6,247**	**6,247**	**6,247**	**25,044**	**23,961**	**26,111**
Cash/cash equivalents at the year end:	2	**22,795**	**23,917**	**25,868**	**6,247**	**25,044**	**25,044**	**25,044**	**23,961**	**26,111**	**28,507**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. The municipality does not have long-term investments, all investments are on 24 hour call deposit accounts. Most of these investments are grants that the municipality received to spend in the budget year therefor cannot be invested for longer periods.

4. Cash levels of R 23,9 million in 2015/16, R 26, million in 2016/2017 and R 28,5 million in 2017/2018.

5. The municipality is planning to recover cash in terms of a debt collection strategy from consumers to ensure sufficient cash is available to meet daily requirements.

6. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

1.4.8 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 15 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN432 Kwa Sani - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	22,795	23,917	25,868	6,247	25,044	25,044	25,044	23,961	26,111	28,507
Other current investments > 90 days		1	85	(1)	16,847	–	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**22,795**	**24,003**	**25,868**	**23,095**	**25,044**	**25,044**	**25,044**	**23,961**	**26,111**	**28,507**
Application of cash and investments											
Unspent conditional transfers		10,918	–	2,870	6,300	–	–	–	500	500	500
Unspent borrowing		990	915	930	947	947	947	947	–	–	–
Statutory requirements	2	(1,000)	(2,651)	(233)		960	960	960			
Other working capital requirements	3	1,966	14,014	10,322	(3,483)	7,245	7,245	7,245	1,152	1,670	2,185
Other provisions		(300)	(500)		437				433	444	455
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5			583					816	829	841
Total Application of cash and investments:		**12,574**	**11,778**	**14,471**	**4,201**	**9,152**	**9,152**	**9,152**	**2,900**	**3,442**	**3,980**
Surplus(shortfall)		**10,221**	**12,225**	**11,396**	**18,893**	**15,892**	**15,892**	**15,892**	**21,061**	**22,669**	**24,527**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The Other provisions R 433 000 to R 455 000 and Reserves of R 816 000 to R 841 000 through the MTREF are cash backed.
3. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
4. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
5. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
6. From the table it can be seen that for the period 2015/16 to 2017/18 the surplus is R 21 million and it increases to R 22, 6 million & R 24, 5 million in the following years.
7. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2015/16 MTREF is funded.
8. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

1.4.9 Table 16 MBRR Table A9 - Asset Management

KZN432 Kwa Sani - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	**4,357**	**693**	**1,273**	**5,587**	**4,688**	**4,688**	**1,631**	**–**	**–**
Infrastructure - Road transport		–	–	–	2,165	2,048	2,048	31	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	3,147	2,290	2,290	–	–	–
Infrastructure		–	–	–	*5,313*	*4,338*	*4,338*	*31*	–	–
Community		2,349	389	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	2,008	304	1,273	35	350	350	1,600	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	240	–	–	–	–	–
Total Renewal of Existing Assets	2	**4,437**	**8,101**	**13,025**	**5,276**	**6,754**	**6,754**	**8,689**	**7,639**	**7,803**
Infrastructure - Road transport		4,437	7,694	11,623	2,165	3,001	3,001	7,687	7,639	7,803
Infrastructure - Electricity		–	–	–	–	1,195	1,195	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		*4,437*	*7,694*	*11,623*	*2,165*	*4,196*	*4,196*	*7,687*	*7,639*	*7,803*
Community		–	389	1,043	710	941	941	112	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	18	360	2,400	1,517	1,517	890	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	100	100	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		4,437	7,694	11,623	4,331	5,049	5,049	7,718	7,639	7,803
Infrastructure - Electricity		–	–	–	–	1,195	1,195	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	3,147	2,290	2,290	–	–	–
Infrastructure		*4,437*	*7,694*	*11,623*	*7,478*	*8,534*	*8,534*	*7,718*	*7,639*	*7,803*
Community		2,349	778	1,043	710	941	941	112	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		2,008	322	1,633	2,435	1,867	1,867	2,490	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	240	100	100	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**8,794**	**8,794**	**14,299**	**10,863**	**11,442**	**11,442**	**10,320**	**7,639**	**7,803**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		10,587	18,014	23,248	23,834	24,382	24,382	29,786	34,358	38,822
Infrastructure - Electricity		135	–							
Infrastructure - Water		657	–							
Infrastructure - Sanitation		–								
Infrastructure - Other		20,705	14,643	6,586	30,309	30,309	30,309	29,182	29,182	29,182
Infrastructure		*32,084*	*32,657*	*29,834*	*54,143*	*54,691*	*54,691*	*58,968*	*63,540*	*68,004*
Community		9,600	9,507	22,046	18,083	20,373	20,373	20,598	20,598	20,598
Heritage assets										
Investment properties		18,970	10,661	10,661	10,661	10,661	10,661	10,661	10,661	10,661
Other assets		1,849	1,709	7,136	3,894	3,894	3,894	6,674	6,674	6,674
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	77	73	77	77	77	77	77
TOTAL ASSET REGISTER SUMMARY - PPE (WDV	5	**62,504**	**54,534**	**69,754**	**86,854**	**89,696**	**89,696**	**96,978**	**101,550**	**106,014**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		1,593	1,891	2,750	2,078	2,237	2,237	3,038	3,067	3,339
Repairs and Maintenance by Asset Class	3	1,815	1,745	991	1,481	2,187	2,187	2,233	2,279	2,525
Infrastructure - Road transport		–	1,382	620	1,019	1,653	1,653	1,358	1,333	1,406
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	33	27	43	72	72	–	–	–
Infrastructure		–	*1,415*	*647*	*1,062*	*1,725*	*1,725*	*1,358*	*1,333*	*1,406*
Community		417	9	12	36	56	56	223	236	249
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	1,398	321	333	383	406	406	652	710	870
TOTAL EXPENDITURE OTHER ITEMS		**3,408**	**3,636**	**3,741**	**3,560**	**4,424**	**4,424**	**5,271**	**5,346**	**5,865**
Renewal of Existing Assets as % of total capex		*50.5%*	*92.1%*	*91.1%*	*48.6%*	*59.0%*	*59.0%*	*84.2%*	*100.0%*	*100.0%*
Renewal of Existing Assets as % of deprecn"		*278.5%*	*428.3%*	*473.6%*	*253.8%*	*301.9%*	*301.9%*	*286.0%*	*249.0%*	*233.7%*
R&M as a % of PPE		*4.2%*	*4.0%*	*1.7%*	*1.9%*	*2.8%*	*2.8%*	*2.6%*	*2.5%*	*2.7%*
Renewal and R&M as a % of PPE		*10.0%*	*18.0%*	*20.0%*	*8.0%*	*10.0%*	*10.0%*	*11.0%*	*10.0%*	*10.0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. 84,2 % of CAPEX has been budgeted for the renewal of existing assets. Two major roads have been budgeted for upgrading. Woodford road would be upgraded from gravel to tar road and Underberg old main road would be re-surfaced.

3. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does meet the recommendations for the renewal of existing assets and other assets except for maintenance of roads as previously indicated on prior tables above.

1.4.10 MBRR Table A10 - Basic Service Delivery Measurement

Table 17 MBRR Table A10 - Basic Service Delivery Measurement

KZN432 Kwa Sani - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse:										
Removed at least once a week		1,200		2,345	439,038	439,038	439,038	1,282	1,288	1,295
Minimum Service Level and Above sub-total		1,200	–	2,345	439,038	439,038	439,038	1,282	1,288	1,295
Removed less frequently than once a week										
Using communal refuse dump				1,000	1,000	1,000	1,000	921	921	921
Using own refuse dump		1,018								
Other rubbish disposal										
No rubbish disposal				40	40	40	40	40	40	40
Below Minimum Service Level sub-total		1,018	–	1,040	1,040	1,040	1,040	961	961	961
Total number of households	5	**2,218**	**–**	**3,385**	**440,078**	**440,078**	**440,078**	**2,243**	**2,249**	**2,256**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)				389	389	389	389	389	389	389
Refuse (removed at least once a week)				338	338	338	338	338	338	338
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per mo		96	102	188	188	228	228	189	200	211
Refuse (removed once a week)		126	204					239	253	267
Total cost of FBS provided (minimum social packa		**222**	**305**	**188**	**188**	**228**	**228**	**428**	**453**	**478**
Highest level of free service provided										
Property rates (R value threshold)		15,000	15,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		55	55	55	55			55	55	55
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		16,335	16,335	6,950	6,950	240	240	7,284	7,713	8,145
Property rates (other exemptions, reductions and rebates)				7,902	7,902	7,902	7,902	8,281	8,770	9,261
Water										
Sanitation										
Electricity/other energy				188	188	228	228	189	200	211
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other								239	253	267
Total revenue cost of free services provided (total social package)		**16,335**	**16,335**	**15,040**	**15,040**	**8,370**	**8,370**	**15,993**	**16,936**	**17,884**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality reports on backlogs for :
    a. Refuse services
3. The budget provides for 389 households to be registered as indigent in 2015/16, and therefore entitled to receiving Free Basic Services.
4. It is anticipated that these Free Basic Services will cost the municipality R 0.428 million in 2015/16, increasing to R0.453 million in 2016/17 and to R0.478 million in 2017/2018 This is covered by the municipality's equitable share allocation.

Part 2 – Supporting Documentation

14.3 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the CFO.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Community consultation started in October 2014 which informed the Draft Budget. The Draft budget was discussed with HODs, presented to MANCO, Budget Steering Committee and to the Budget and Treasury Committee before being tabled to the Council.

2.1.1 BELOW IS THE APPROVED IDP AND BUDET PROCESS PLAN

ACTION	PURPOSE	RESPONSIBLE	TARGET DATE
IDP Framework and Process Plan	To guide and align planning between the district and local municipalities, government departments and other stakeholders	IDP- Municipal Manager	**July - August 2014**
Public Participation	In order to adhere to Chapter 4 of the MSA and ensure that members of the community partake in the affairs of the municipality	Office of the Mayor	**November – December 2014**
Submission of	To compile draft	CFO	**November 2014-**

projections by departments	budget		**January 2015**
Review Performance Indicators	In order to reflect any possible shift in the budget during the adjustment budget	IDP-Municipal Manager	**January 2015**
Draft Budget is compiled	Define Service Delivery objective for each function for recommendations to council	IDP/MM/CFO/HODs	**November 2014-February 2015**
Table Draft budget/IDP	For Council recommendations	IDP/MM/CFO	**March 2015**
Submission by MM to Provincial and National Treasurer and DLGTA	Compliance	MM/IDP	**End March 2015**
Public Comments on draft budget/IDP	To obtain input from the communities	Council	**April 2015**
Council considers input from various stakeholders	Community participation	Council	**May 2015**
Mayor responds to submissions during consultations	Community participation	MM/CFO/MAYOR	**May 2015**
Mayor tables amendments for council considerations	Community participation	MM/CFO/MAYOR	**May 2015**
Approve IDP/Budget/ SDBIP/PMS and related policies in Council and send copy to National Treasury and CoGTA			**May/June 2015**
Submission of SDBIP to the Mayor	To ensure existence of an implementation plan before the start of the financial year	MM	**July 2015**
Conclusion of Annual Performance Agreements by	To ensure a performance driven management and to comply with the	Mayor	**July 2015**

Mayor	legislation		
Publication of SDBIP and Annual Budget	Community participation	MM	**July 2015**
The Mayor submits the approved SDBIP and Performance Agreements to Council, MEC for corporative governance		Mayor/MM	**End July 2015**

2.1.2 Budget and IDP overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget. The Mayor tabled in Council the required the IDP and budget time schedule.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 18 - IDP Strategic Objectives

2015/16
1.To build Transparent administrative body capable of achieving transparency and integrity whilst addressing the needs of KwaSani Community
2.To facilitate community development and involvement; ensure higher levels of democracy and public participation
3.To create enabling investment environment and provide all residents in the municipality with access to inclusive economy
4.To maintain improve and extend infrastructure and quality service delivery throughout the municipal area
5.To enhance revenue generation and establish sound financial leading to a financially viable municipality
6. Reflect council development strategies spatially. Enhance regional identity and unique character of place

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
    - Provide electricity;
    - Provide water;
    - Provide sanitation;
    - Provide waste removal;
    - Provide housing;
    - Provide roads and storm water;
    - Provide public transport;
    - Provide municipal planning services; and
    - Maintaining the infrastructure of the Municipality.

2. Economic growth and development that leads to sustainable job creation by:
    - Ensuring the is a clear structural plan for the Municipality;
    - Ensuring planning processes function in accordance with set timeframes;
    - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
    - Optimising effective community participation in the ward committee system; and
    - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN432 Kwa Sani - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Municipal Transformation and Institutional Development.	To build a transparent administrative body capable of achieving transparency and integrity whilst addressing employment equity and affirmative action.											
Good Governance	To facillitate communuty development and involvment; ensure higher levels of democracy and public participation, To upload Bato Pele principles.			480		2,638	2,638	3,046	3,046	1,386	1,449	1,513
Local Economic Development	To create enabling investment environment, and provide all residents in the municipality with access to inclusive economic growth opportunities including the poor,the youth, women and disabled.				182	1,176	1,176	1,151	1,151	1,972	866	1,632
Service Delivery and Ifrastructure	To maintain, improve and extend infrastructure and quality of service delivery throughout the municipal area.			2,211	1,382	3,261	3,261	5,731	5,731	3,612	3,826	4,040
Financial Viability and Management	To enhance revenue generation and establish sound financial leading to a financially viable minicipality.			34,244	41,244	45,338	40,382	41,161	41,161	44,468	43,622	47,464
Spatical Development Framework	Reflect council development strategies spatically, Enhance regional identity and inique character of place,Ensure conformance with the neighbouring local, district and provincial spatical development frameworks.			417	25	38	38	39	39	180	190	201
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**37,352**	**42,833**	**52,451**	**47,495**	**51,127**	**51,127**	**51,618**	**49,953**	**54,850**

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP strategic objective

check op revenue balance	(0)	0	0	(0)	0	0	(0)	(0)	(0)

Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN432 Kwa Sani - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Municipal Transformation and Institutional Development.	To build a transparent administrative body capable of achieving transparency and											
Good Governance	To facillitate communuty development and involvment; ensure higher levels of			2,527	7,002	9,783	9,783	10,553	10,553	9,863	10,037	11,723
Local Economic Development	To create enabling investment environment, and provide all residents in the municipality			2,340	3,983	3,261	3,261	3,766	3,766	11,138	11,408	12,135
Service Delivery and Ifrastructure	To maintain, improve and extend infrastructure and quality of service delivery			11,511	11,437	12,812	14,071	12,312	12,312	4,588	4,869	5,150
Financial Viability and Management	To enhance revenue generation and establish sound financial leading to a			11,039	10,022	11,777	11,777	13,821	13,821	15,938	13,457	15,358
Spatical Development Framework	Reflect council development strategies spatically, Enhance regional identity and inique			2,459	891	1,113	1,113	3,184	3,184	2,549	2,504	2,649
Allocations to other priorities												
Total Expenditure			1	**29,876**	**33,336**	**38,746**	**40,005**	**43,637**	**43,637**	**44,076**	**42,275**	**47,015**

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP strategic objective

check op expenditure balance	*(0)*	*(0)*	*(0)*	*(0)*	*0*	*0*	*0*	*(0)*	*0*

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

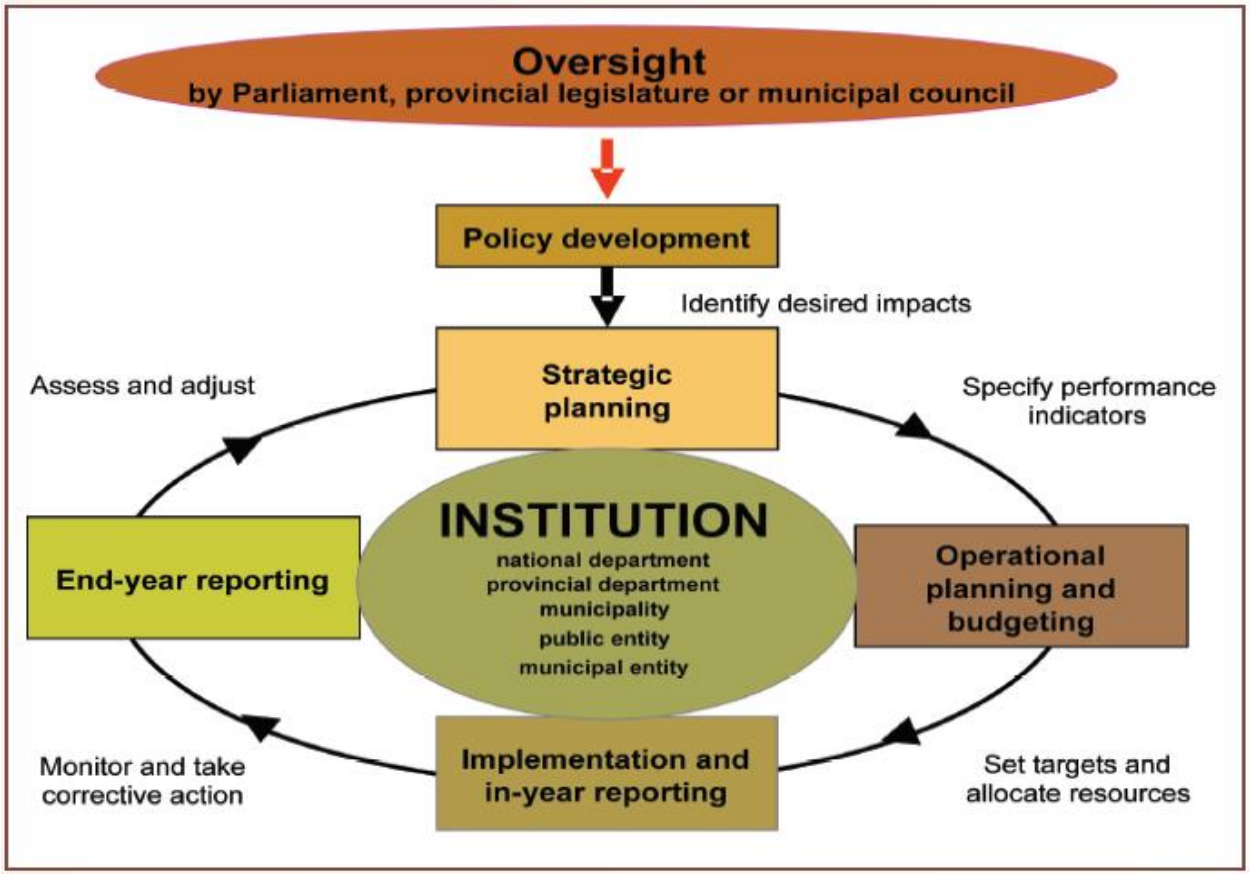

Figure 1 shows Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);

- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

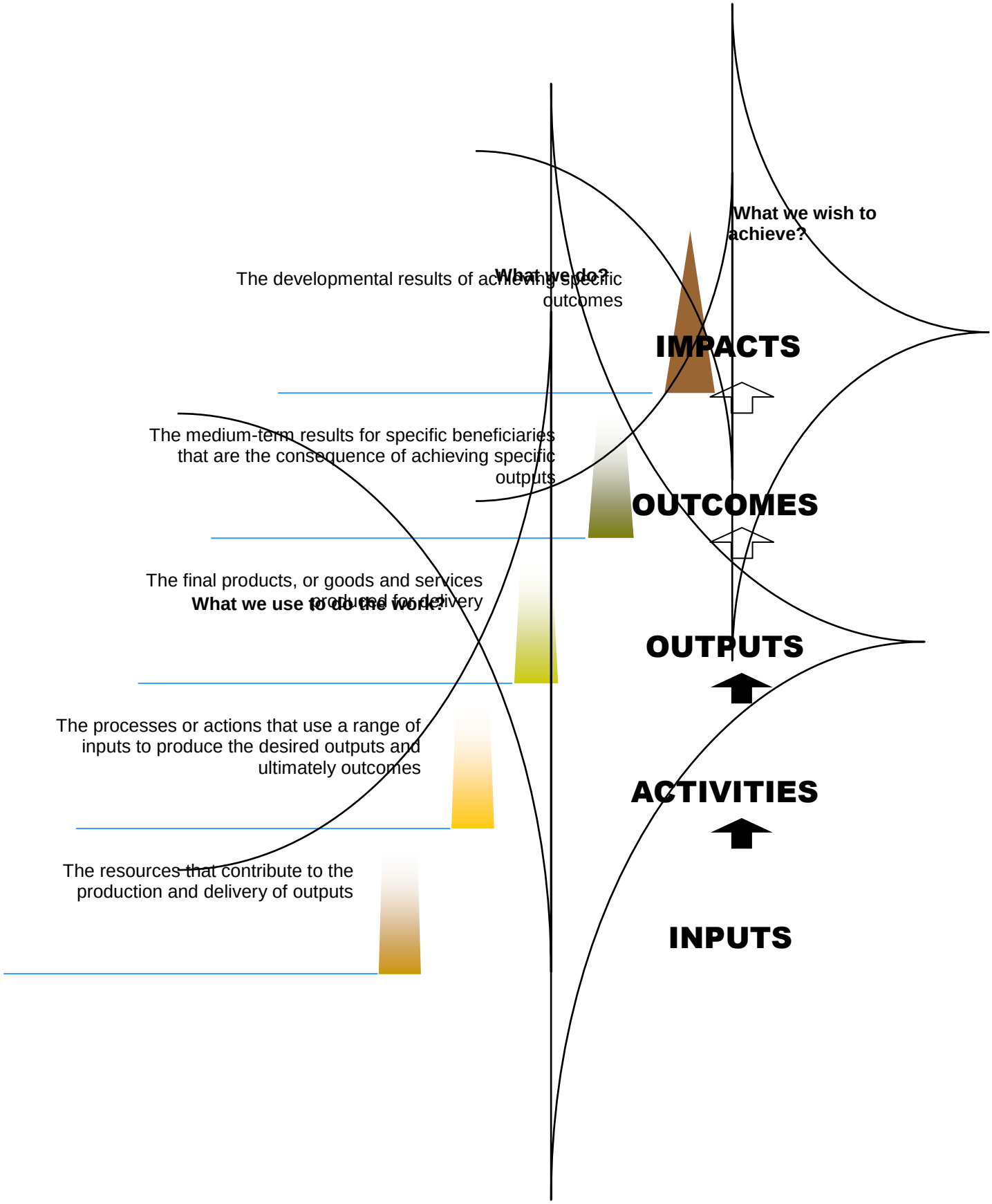

Figure 2 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

KZN432 Kwa Sani - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.1%	5.0%	2.1%	5.4%	2.9%	2.9%	2.9%	2.0%	1.0%	0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.3%	10.1%	4.1%	9.9%	4.9%	4.9%	4.9%	3.9%	1.9%	1.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	796.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	96.2%	58.0%	34.6%	58.0%	58.0%	58.0%	30.8%	26.8%	22.4%
Liquidity											
Current Ratio	Current assets/current liabilities	1.3	1.4	1.5	3.0	2.1	2.1	2.1	3.5	3.8	4.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.4	1.4	2.4	1.8	1.8	1.8	2.9	3.2	3.6
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	1.1	1.3	2.3	1.7	1.7	1.7	2.8	3.1	3.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		110.7%	55.3%	80.0%	94.5%	95.6%	95.6%	95.6%	94.1%	94.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		110.7%	55.3%	80.0%	94.5%	95.6%	95.6%	95.6%	94.1%	94.1%	94.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.6%	22.3%	9.6%	16.9%	15.5%	15.5%	15.5%	14.1%	13.4%	10.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		39.7%	75.8%	52.8%	46.6%	54.7%	54.7%	54.7%	29.2%	26.8%	24.6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.2%	37.7%	35.0%	46.7%	42.0%	42.0%	42.0%	41.7%	46.5%	44.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.5%	42.1%	38.6%	50.8%	45.6%	45.6%		46.0%	49.1%	46.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.1%	5.2%	2.3%	3.7%	5.0%	5.0%		5.1%	5.4%	5.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.0%	6.3%	7.0%	5.6%	5.5%	5.5%	5.5%	7.2%	7.6%	7.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6.1	9.5	5.6	9.6	9.6	9.6	11.7	12.4	7.6	9.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	49.4%	50.1%	23.5%	39.6%	39.5%	39.5%	39.5%	34.5%	29.6%	23.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11.8	11.2	10.3	2.4	8.5	8.5	8.5	8.7	9.5	9.4

Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, KSM's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is made up of a finance lease and a DBSA loan. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 0% as the municipality is not planning to procure assets through borrowings.

2.4 Overview of budget related-policies

The policies were adjusted as per the final recommendation from the budget retreat workshop.

2.4 Overview of budget assumptions

2.4.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in the cost of remuneration.
- Employee related costs comprise 45% of total operating expenditure which increases pressure on the budgeted expenditure.

2.4.2 Interest rates for borrowing and investment of funds

Loan with DBSA and a finance lease with West bank as well as the leased machines from Nashua are the three sources of borrowing that the municipality has to pay back.

2.4.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (95%) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.4 Salary increases

The municipality has opted to budget for a 7% increase based on recent agreement between SAMWU and the employer on behalf of WSSA employees.

2.4.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.4.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that the municipality would spend 100 per cent operating expenditure and on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 22 Breakdown of the operating revenue over the medium-term

KZN432 Kwa Sani - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	**10,785**	12,472	15,329	14,553	14,559	14,559	14,559	15,172	16,123	18,123
Service charges	1,925	2,121	2,123	2,164	2,257	2,257	2,257	2,360	2,499	2,639
Investment revenue	820	931	1,190	1,541	1,176	1,176	1,176	1,257	1,317	2,698
Transfers recognised - operational	15,040	17,058	23,656	18,253	18,253	18,253	18,253	21,536	18,575	19,096
Other own revenue	989	845	1,069	3,507	7,405	7,405	7,405	3,764	3,800	4,491
Total Revenue (excluding capital transfers and contributions)	29,559	33,427	43,368	40,017	43,649	43,649	43,649	44,088	42,314	47,047

Proposed tariff increases over the medium-term

All tariffs are budgeted to increase by 4, 8%. Anticipated Revenue to be generated from property rates is R 22, 5 million in the 2015/16 financial year before rebates. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality completed the data verification and validation relating to the Second General valuation roll which was implemented on the 01 July 2013.

KwaSani Local Municipality is grant dependent, 49% of the total revenue is attributed to grants revenue. Rates and service charge revenues comprise on 37% of the total revenue mix. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Operational grants and subsidies amount to R 21.536 million, R18.575 million and R19.096 million for each of the respective financial years of the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue would remain constant @ 41 to 44%% over 2015/2016 MTREF.

Investment revenue contributes marginally to the revenue base of the Municipality's with a budget allocation of R1.257 million, R1.317 million and R2.698 million for each of the respective financial years of the MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below normally provide detail investment information and investment particulars by maturity but it does not have information because the municipality does not have long term investments except for 24 hour call account and 32 days' notice deposits. These investments does not meet the definition of investments in terms of GRAP are therefore reported as cash and cash equivalents even on Audited AFS for prior years.

Table 23 MBRR SA15 – Investment particulars by type

KZN432 Kwa Sani - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		20,386	–		17,847	–	–	20,000	20,000	20,000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	**20,386**	**–**	**–**	**17,847**	**–**	**–**	**20,000**	**20,000**	**20,000**
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Consolidated total:		**20,386**	**–**	**–**	**17,847**	**–**	**–**	**20,000**	**20,000**	**20,000**

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

check investment balance	-	-	-	-	-	-	-	-	-	-

Table 24 MBRR SA16 – Investment particulars by maturity

KZN432 Kwa Sani - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
24 hr call account and 32 days notice investments		1 month		Yes			0	0		20,000	1,257	-1,256,903.51		- - 20,000 - - - -
Municipality sub-total										20,000		(1,257)	-	20,000
Entities														
N/A														- - - - - - -
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									20,000		(1,257)	-	20,000

2.5.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 25 Medium-term funding sources for capital expenditure

KZN432 Kwa Sani - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure & funds sources										
Capital expenditure	**8,794**	8,794	14,299	10,863	11,442	11,442	11,442	10,320	7,639	7,803
Transfers recognised - capital	**7,793**	7,895	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**28**	844	–	493	–	–	–	–	–	–
Internally generated funds	**974**	55	5,216	2,892	3,964	3,964	3,964	2,790	–	–
Total sources of capital funds	**8,794**	8,794	14,299	10,863	11,442	11,442	11,442	10,320	7,639	7,803

Table 26 MBRR Table SA 17 – Borrowings (Detailed)

KZN432 Kwa Sani - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity/reducing balance)		3,185	2,266	1,569	1,170	1,569	1,569	833	724	607
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	**3,185**	**2,266**	**1,569**	**1,170**	**1,569**	**1,569**	**833**	**724**	**607**
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	**3,185**	**2,266**	**1,569**	**1,170**	**1,569**	**1,569**	**833**	**724**	**607**

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		990	915	930	947	947	947	–	–	–
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	**990**	**915**	**930**	**947**	**947**	**947**	**–**	**–**	**–**
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	**990**	**915**	**930**	**947**	**947**	**947**	**–**	**–**	**–**

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

check borrowing balance - - - - - - - - -

DBSA loan and finance lease for vehicles contribute to the capital and interest finance costs in the income and expenditure statement. The amounts above in 2015/16 to 2017/2018 are the outstanding balances to be paid by the municipality to DBSA, Nashua and Wes bank.

Table 27 MBRR Table SA 18 - Capital transfers and grants receipts

KZN432 Kwa Sani - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**12,807**	**14,891**	**17,442**	**17,442**	**17,442**	**17,442**	**20,663**	**17,814**	**18,296**
Local Government Equitable Share		10,517	12,054	13,627	13,627	13,627	13,627	15,076	15,032	14,642
Finance Management		1,500	1,500	1,800	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement		790	800	934	934	934	934	930	957	1,033
EPWP Incentive		–	537	1,081	1,081	1,081	1,081	1,000	–	–
Integrated National Electrification Programme								–	–	721
								–	–	–
Other transfers/grants [Municipal Demarcation Transsition Grant]								1,857	–	–
Provincial Government:		**4,521**	**5,120**	**811**	**811**	**811**	**811**	**873**	**761**	**800**
Sport and Recreation		300		150	150	150	150	150	–	–
Corridor Dev ,Arts and Culture and other		4,221	5,120	661	661	661	661	723	761	800
District Municipality:		**–**	**47**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capacity Building										
Shared Planner & Internal Audit			47							
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
DBSA										
Total Operating Transfers and Grants	5	**17,328**	**20,058**	**18,253**	**18,253**	**18,253**	**18,253**	**21,536**	**18,575**	**19,096**
Capital Transfers and Grants										
National Government:		**7,887**	**9,405**	**7,478**	**7,478**	**7,478**	**7,478**	**7,530**	**7,639**	**7,803**
Municipal Infrastructure Grant (MIG)		7,887	9,405	7,478	7,478	7,478	7,478	7,530	7,639	7,803
FMG										
Provincial Government:		**3,500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
COGTA GRANTS		3,500								
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capacity Building										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
DBSA										
Total Capital Transfers and Grants	5	**11,387**	**9,405**	**7,478**	**7,478**	**7,478**	**7,478**	**7,530**	**7,639**	**7,803**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**28,715**	**29,464**	**25,731**	**25,731**	**25,731**	**25,731**	**29,066**	**26,214**	**26,899**

2.5.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 28 MBRR Table A7 - Budget cash flow statement

KZN432 Kwa Sani - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		10,785	5,868	11,749	19,117	23,153	23,153	23,153	14,413	15,317	17,217
Service charges		1,925	2,286	2,123					2,242	2,374	2,507
Other revenue		2,374	381	942					3,391	3,414	4,060
Government - operating	1	15,040	17,059	16,840	18,253	18,253	18,253	18,253	21,536	18,575	19,096
Government - capital	1	7,793	9,405	9,083	7,478	7,478	7,478	7,478	7,530	7,639	7,803
Interest		825	931	1,190	1,541	1,176	1,176	1,176	1,441	1,513	2,905
Dividends		–	–						–	–	–
Payments											
Suppliers and employees		(27,533)	(23,680)	(24,910)	(39,189)	(41,240)	(41,240)	(41,240)	(40,241)	(38,401)	(42,848)
Finance charges		(233)	(214)	(266)	(160)	(160)	(160)	(160)	(151)	(129)	(117)
Transfers and Grants	1	–	–						(189)	(200)	(211)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**10,976**	**12,036**	**16,751**	**7,040**	**8,660**	**8,660**	**8,660**	**9,973**	**10,102**	**10,411**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				114	101	101	101	101	–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables							–	–	–	–	–
Decrease (increase) in non-current investments						22,564	22,564	22,564	–	–	–
Payments											
Capital assets		(8,794)	(9,473)	(14,382)	(10,863)	(11,442)	(11,442)	(11,442)	(10,320)	(7,639)	(7,803)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8,794)**	**(9,473)**	**(14,268)**	**(10,762)**	**11,223**	**11,223**	**11,223**	**(10,320)**	**(7,639)**	**(7,803)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		7,972							–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(441)	(1,440)	(533)	(1,993)	(1,086)	(1,086)	(1,086)	(736)	(313)	(212)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**7,531**	**(1,440)**	**(533)**	**(1,993)**	**(1,086)**	**(1,086)**	**(1,086)**	**(736)**	**(313)**	**(212)**
NET INCREASE/ (DECREASE) IN CASH HELD		**9,713**	**1,123**	**1,951**	**(5,716)**	**18,797**	**18,797**	**18,797**	**(1,083)**	**2,150**	**2,396**
Cash/cash equivalents at the year begin:	2	**13,082**	**22,795**	**23,917**	**11,963**	**6,247**	**6,247**	**6,247**	**25,044**	**23,961**	**26,111**
Cash/cash equivalents at the year end:	2	**22,795**	**23,917**	**25,868**	**6,247**	**25,044**	**25,044**	**25,044**	**23,961**	**26,111**	**28,507**

2.7 Expenditure on allocations and Grant Programmes

The municipality budgeted to spend 100% of allocations and grants receipts.

Table 29 MBRR Table SA19 – Expenditure on allocations/transfers and grant programmes

KZN432 Kwa Sani - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**12,807**	**14,891**	**17,442**	**17,442**	**17,442**	**17,442**	**20,663**	**17,814**	**18,296**
Local Government Equitable Share		10,517	12,054	13,627	13,627	13,627	13,627	15,076	15,032	14,642
Finance Management		1,500	1,500	1,800	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement		790	800	934	934	934	934	930	957	1,033
EPWP Incentive		–	537	1,081	1,081	1,081	1,081	1,000	–	–
Integrated National Electrification Programme		–	–					–	–	721
		–						–	–	–
Other transfers/grants [Municipal Demarcation Tra		–						1,857	–	–
Provincial Government:		**1,521**	**5,120**	**811**	**811**	**811**	**811**	**873**	**761**	**800**
Sport and Recreation		300		150	150	150	150	150	–	–
Corridor Dev ,Arts and Culture and other		1,221	5,120	661	661	661	661	723	761	800
District Municipality:		**–**	**47**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capacity Building										
Shared Planner & Internal Audit			47							
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
DBSA										
Total operating expenditure of Transfers and Grants		**14,328**	**20,059**	**18,253**	**18,253**	**18,253**	**18,253**	**21,536**	**18,575**	**19,096**
Capital expenditure of Transfers and Grants										
National Government:		**7,887**	**9,405**	**7,478**	**7,478**	**7,478**	**7,478**	**7,530**	**7,639**	**7,803**
Municipal Infrastructure Grant (MIG)		7,887	9,405	7,478	7,478	7,478	7,478	7,530	7,639	7,803
FMG										
Provincial Government:		**16,794**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
COGTA GRANTS		16,794								
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capacity Building										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
DBSA										
Total capital expenditure of Transfers and Grants		**24,681**	**9,405**	**7,478**	**7,478**	**7,478**	**7,478**	**7,530**	**7,639**	**7,803**
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		**39,009**	**29,464**	**25,731**	**25,731**	**25,731**	**25,731**	**29,066**	**26,214**	**26,899**

2.8 Allocations and grant programmes made by the municipality

Table 30 – MBRR SA21- Transfers and grants made by the municipality

The municipality does not have any allocations or grants that it would transfer to other municipalities or organisations as per the table below except for the payments of Free Basic Electricity to ESKOM for indigent owners.

KZN432 Kwa Sani - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
ESKOM	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Insert description	4	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals											
INDIGENT OWNERS SUBSIDY(FREE BASIC ELECTR	5			–	188	181	181	181	189	200	211
Total Cash Transfers To Groups Of Individuals:		–	–	–	**188**	**181**	**181**	**181**	**189**	**200**	**211**
TOTAL CASH TRANSFERS AND GRANTS	6	–	–	–	**188**	**181**	**181**	**181**	**189**	**200**	**211**
Non-Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
Insert description	4	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
PENSIONERS	5				319				190	201	212
INDIGENT					51	47	47	47	49	52	55
					–						
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	**370**	**47**	**47**	**47**	**239**	**253**	**267**
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	**370**	**47**	**47**	**47**	**239**	**253**	**267**
TOTAL TRANSFERS AND GRANTS	6	–	–	–	**558**	**228**	**228**	**228**	**428**	**453**	**478**

2.9 Councilors and board member allowances and employee benefits

The municipality does not have entities. The employee related cost is 46% for 2015/2016 MTREF.

Table 31 MBRR SA22 – Summary Councilors and staff benefits

KZN432 Kwa Sani - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		233	1,074	1,299	1,369	1,299	1,299	1,484	1,575	1,667
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance			303	169	169	169	169	209	222	235
Cellphone Allowance			85	93	93	93	93	183	195	206
Housing Allowances										
Other benefits and allowances		762								
Sub Total - Councillors		**995**	**1,461**	**1,561**	**1,631**	**1,561**	**1,561**	**1,876**	**1,992**	**2,108**
% increase	4		**46.8%**	**6.8%**	**4.5%**	**(4.3%)**	**–**	**20.2%**	**6.2%**	**5.9%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1,771	834	2,400	2,600	2,600	2,600	2,748	2,400	2,400
Pension and UIF Contributions		29	2	42	42	42	42	42	42	42
Medical Aid Contributions		–		48	48	48	48	48	48	48
Overtime				–	–	–	–	–	–	–
Performance Bonus		68		197	197	197	197	197	197	197
Motor Vehicle Allowance	3		1	200	200	200	200	200	200	200
Cellphone Allowance	3			7	7	7	7	7	7	7
Housing Allowances	3			47				70	74	78
Other benefits and allowances	3	204	117	27	27	27	27	27	27	27
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**2,073**	**953**	**2,968**	**3,121**	**3,121**	**3,121**	**3,339**	**2,995**	**2,999**
% increase	4		**(54.0%)**	**211.3%**	**5.2%**	**–**	**–**	**7.0%**	**(10.3%)**	**0.1%**
Other Municipal Staff										
Basic Salaries and Wages		7,166	8,029	6,150	9,488	9,159	9,159	9,137	12,987	13,931
Pension and UIF Contributions		1,157	1,432	1,617	1,617	1,677	1,677	1,500	1,592	1,685
Medical Aid Contributions				509	509	308	308	370	393	416
Overtime		717	1,037	608	608	608	608	779	827	875
Performance Bonus				972	972	972	972	1,040		
Motor Vehicle Allowance	3		941	187	187	187	187	200		
Cellphone Allowance	3			93	93	93	93	100		
Housing Allowances	3			21	68	68	68	73		
Other benefits and allowances	3	1,055	203	1,508	1,508	1,608	1,608	1,721		
Payments in lieu of leave				536	536	536	536	145		
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		**10,096**	**11,643**	**12,201**	**15,586**	**15,217**	**15,217**	**15,063**	**15,798**	**16,907**
% increase	4		**15.3%**	**4.8%**	**27.7%**	**(2.4%)**	**–**	**(1.0%)**	**4.9%**	**7.0%**
Total Parent Municipality		**13,164**	**14,058**	**16,730**	**20,338**	**19,898**	**19,898**	**20,279**	**20,785**	**22,014**
			6.8%	**19.0%**	**21.6%**	**(2.2%)**	**–**	**1.9%**	**2.5%**	**5.9%**
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**13,164**	**14,058**	**16,730**	**20,338**	**19,898**	**19,898**	**20,279**	**20,785**	**22,014**
% increase	4		**6.8%**	**19.0%**	**21.6%**	**(2.2%)**	**–**	**1.9%**	**2.5%**	**5.9%**
TOTAL MANAGERS AND STAFF	5,7	**12,169**	**12,596**	**15,169**	**18,707**	**18,338**	**18,338**	**18,402**	**18,793**	**19,906**

Table 32 MBRR SA23- Salaries, allowances & benefits (political office bearers/councilors/senior managers)

KZN432 Kwa Sani - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4							–
Chief Whip			192,758					192,758
Executive Mayor			535,815					535,815
Deputy Executive Mayor								–
Executive Committee								–
Total for all other councillors			771,031					771,031
Total Councillors	8	–	**1,499,604**	–	–			**1,499,604**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			904,527					904,527
Chief Finance Officer			586,635					586,635
								–
								–
								–
								–
List of each offical with packages >= senior manager								
Manager- Corporate Services			542,716					542,716
Manager-Community Services			573,394					573,394
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**2,607,272**	–	–	–		**2,607,272**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**4,106,875**	–	–	–		**4,106,875**

Table 33 MBRR SA24 – Summary of personnel numbers

KZN432 Kwa Sani - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		7		7	7	–	7	7		7
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	4	1	3	4	1	3	4	1	3
Other Managers	7									
Professionals		*17*	*11*	*7*	*18*	*12*	*6*	*21*	*16*	*5*
Finance		12	7	5	13	8	5	14	9	5
Spatial/town planning		3	2	2	3	2	1	3	3	–
Information Technology										
Roads		2	2	–	2	2	–	4	4	
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		*35*	*34*	*1*	*39*	*38*	*1*	*36*	*35*	*1*
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse		6	6	–	6	6	–	6	6	–
Other		29	28	1	33	32	1	30	29	1
Clerks (Clerical and administrative)		36	31	5	36	31	5	36	31	5
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	**99**	**77**	**23**	**104**	**82**	**22**	**104**	**83**	**21**
% increase					5.1%	6.5%	(4.3%)	–	1.2%	(4.5%)
Total municipal employees headcount	6, 10	**102**	**80**	**22**	**104**	**82**	**22**	**84**	**70**	**14**
Finance personnel headcount	8, 10	**13**	**7**	**6**	**17**	**11**	**6**	**17**	**11**	**6**
Human Resources personnel headcount	8, 10	**3**	**2**	**1**	**3**	**2**	**1**	**3**	**2**	**1**

2.10 Monthly targets for revenue, expenditure and cash flow

Table 34 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN432 Kwa Sani - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates			1,412	1,412	1,412	1,412	1,412	1,412	1,412	1,412	1,412	1,412	–	14,116	14,949	15,786
Property rates - penalties & collection charges		88	88	88	88	88	88	88	88	88	88	88	88	1,056	1,175	2,338
Service charges - electricity revenue													–	–	–	–
Service charges - water revenue													–	–	–	–
Service charges - sanitation revenue													–	–	–	–
Service charges - refuse revenue			236	236	236	236	236	236	236	236	236	236	–	2,360	2,499	2,639
Service charges - other													–	–	–	–
Rental of facilities and equipment		38	38	38	38	38	38	38	38	38	38	38	38	461	483	990
Interest earned - external investments		105	105	105	105	105	105	105	105	105	105	105	105	1,257	1,317	2,698
Interest earned - outstanding debtors		16	16	16	16	16	16	16	16	16	16	16	16	194	206	217
Dividends received													–	–	–	–
Fines		7	7	7	7	7	7	7	7	7	7	7	7	84	89	94
Licences and permits		69	69	69	69	69	69	69	69	69	69	69	69	826	874	923
Agency services													–	–	–	–
Transfers recognised - operational		1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	21,536	18,575	19,096
Other revenue		183	183	183	183	183	183	183	183	183	183	183	183	2,199	2,148	2,267
Gains on disposal of PPE													–	–	–	–
Total Revenue (excluding capital transfers and cont		**2,301**	**3,949**	**3,949**	**3,949**	**3,949**	**3,949**	**3,949**	**3,949**	**3,949**	**3,949**	**3,949**	**2,301**	**44,088**	**42,314**	**47,047**
Expenditure By Type																
Employee related costs		1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	18,403	19,681	20,845
Remuneration of councillors		156	156	156	156	156	156	156	156	156	156	156	156	1,876	1,992	2,108
Debt impairment		10	10	10	10	10	10	10	10	10	10	10	10	115	121	128
Depreciation & asset impairment		253	253	253	253	253	253	253	253	253	253	253	253	3,038	3,067	3,339
Finance charges		13	13	13	13	13	13	13	13	13	13	13	13	151	129	117
Bulk purchases		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		336	336	336	336	336	336	336	336	336	336	336	336	4,031	4,069	4,497
Transfers and grants		36	36	36	36	36	36	36	36	36	36	36	36	428	453	478
Other expenditure		1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	16,035	12,762	15,502
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**44,076**	**42,276**	**47,015**
Surplus/(Deficit)		**(1,372)**	**276**	**276**	**276**	**276**	**276**	**276**	**276**	**276**	**276**	**276**	**(1,372)**	**12**	**38**	**32**
Transfers recognised - capital		3,765				2,292				1,473			0	7,530	7,639	7,803
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2,393**	**276**	**276**	**276**	**2,567**	**276**	**276**	**276**	**1,749**	**276**	**276**	**(1,372)**	**7,542**	**7,677**	**7,835**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**2,393**	**276**	**276**	**276**	**2,567**	**276**	**276**	**276**	**1,749**	**276**	**276**	**(1,372)**	**7,542**	**7,677**	**7,835**

Table 35 MBRR SA26 - Budgeted monthly capital expenditure (municipal vote)

KZN432 Kwa Sani - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Governance & Administration		3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	45,854	45,070	48,977
Vote 2 - Community & Public Safety		164	164	164	164	164	164	164	164	164	164	164	164	1,972	866	1,632
Vote 3 - Trading Services		213	213	213	213	213	213	213	213	213	213	213	213	2,555	2,707	2,858
Vote 4 - Economic and Environmental Services		103	103	103	103	103	103	103	103	103	103	103	103	1,237	1,310	1,384
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**4,302**	**51,618**	**49,953**	**54,850**
Expenditure by Vote to be appropriated																
Vote 1 - Governance & Administration		2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	26,501	24,232	27,863
Vote 2 - Community & Public Safety		830	830	830	830	830	830	830	830	830	830	830	830	9,962	10,317	10,981
Vote 3 - Trading Services		214	214	214	214	214	214	214	214	214	214	214	214	2,562	2,639	2,791
Vote 4 - Economic and Environmental Services		288	288	288	288	288	288	288	288	288	288	288	288	3,458	3,559	3,765
Vote 5 - Other		133	133	133	133	133	133	133	133	133	133	133	133	1,593	1,529	1,615
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**3,673**	**44,076**	**42,276**	**47,015**
Surplus/(Deficit) before assoc.		**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**7,542**	**7,677**	**7,835**
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**629**	**7,542**	**7,677**	**7,835**

KZN432 Kwa Sani - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
Governance and administration		3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	45,854	45,070	48,977
Executive and council		115	115	115	115	115	115	115	115	115	115	115	115	1,386	1,449	1,513
Budget and treasury office		3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	44,468	43,622	47,464
Corporate services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		164	164	164	164	164	164	164	164	164	164	164	164	1,972	866	1,632
Community and social services		157	157	157	157	157	157	157	157	157	157	157	157	1,888	777	1,538
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		7	7	7	7	7	7	7	7	7	7	7	7	84	89	94
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		103	103	103	103	103	103	103	103	103	103	103	103	1,237	1,310	1,384
Planning and development		35	35	35	35	35	35	35	35	35	35	35	35	416	440	465
Road transport		68	68	68	68	68	68	68	68	68	68	68	68	821	870	918
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		213	213	213	213	213	213	213	213	213	213	213	213	2,555	2,707	2,858
Electricity													–	–	–	–
Water													–	–	–	–
Waste water management													–	–	–	–
Waste management		213	213	213	213	213	213	213	213	213	213	213	213	2,555	2,707	2,858
Other													–	–	–	–
Total Revenue - Standard		4,302	4,302	4,302	4,302	4,302	4,302	4,302	4,302	4,302	4,302	4,302	4,302	51,618	49,953	54,850
Expenditure - Standard																
Governance and administration		2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	26,501	24,232	27,863
Executive and council		674	674	674	674	674	674	674	674	674	674	674	674	8,086	8,325	9,743
Budget and treasury office		1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	15,938	13,457	15,358
Corporate services		206	206	206	206	206	206	206	206	206	206	206	206	2,477	2,450	2,761
Community and public safety		830	830	830	830	830	830	830	830	830	830	830	830	9,962	10,317	10,981
Community and social services		646	646	646	646	646	646	646	646	646	646	646	646	7,754	8,076	8,552
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		184	184	184	184	184	184	184	184	184	184	184	184	2,208	2,241	2,429
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health													–	–	–	–
Economic and environmental services		288	288	288	288	288	288	288	288	288	288	288	288	3,458	3,559	3,765
Planning and development		216	216	216	216	216	216	216	216	216	216	216	216	2,591	2,549	2,696
Road transport		72	72	72	72	72	72	72	72	72	72	72	72	867	1,010	1,069
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		214	214	214	214	214	214	214	214	214	214	214	214	2,562	2,639	2,791
Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		214	214	214	214	214	214	214	214	214	214	214	214	2,562	2,639	2,791
Other		133	133	133	133	133	133	133	133	133	133	133	133	1,593	1,529	1,615
Total Expenditure - Standard		3,673	3,673	3,673	3,673	3,673	3,673	3,673	3,673	3,673	3,673	3,673	3,673	44,076	42,276	47,015
Surplus/(Deficit) before assoc.		629	629	629	629	629	629	629	629	629	629	629	629	7,542	7,677	7,835
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	629	629	629	629	629	629	629	629	629	629	629	629	7,542	7,677	7,835

KZN432 Kwa Sani - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Municipal governance and administration													-	-	-	-
Vote 2 - Community and public safety													-	-	-	-
Vote 3 - Economic and environmental services													-	-	-	-
Vote 4 - Trading services													-	-	-	-
Vote 5 - Other													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure *to be appropriated*																
Vote 1 - Municipal governance and administration					150				140				600	890	-	-
Vote 2 - Community and public safety		5,833.33	6	6	6	6	6	6	6	6	6	6	6	70	-	-
Vote 3 - Economic and environmental services													-	-	-	-
Vote 4 - Trading services					9,356								-	9,356	7,639	7,803
Vote 5 - Other					4								-	4	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	6	6	6	9,516	6	6	6	146	6	6	6	606	10,320	7,639	7,803
Total Capital Expenditure	2	6	6	6	9,516	6	6	6	146	6	6	6	606	10,320	7,639	7,803

KZN432 Kwa Sani - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
Governance and administration		-	-	-	150	-	-	-	140	-	-	-	600	890	-	-
Executive and council													625	625	-	-
Budget and treasury office		-	-	-	150	-	-	-	140	-	-	-	(129)	161	-	-
Corporate services													104	104	-	-
Community and public safety		6	6	6	6	6	6	6	6	6	6	6	6	70	-	-
Community and social services		6	6	6	6	6	6	6	6	6	6	6	6	70	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
Economic and environmental services		-	-	-	9,356	-	-	-	-	-	-	-	-	9,356	7,639	7,803
Planning and development					9,356								-	9,356	7,639	7,803
Road transport													-	-	-	-
Environmental protection													-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
Other					4								-	4	-	-
Total Capital Expenditure - Standard	2	6	6	6	9,516	6	6	6	146	6	6	6	606	10,320	7,639	7,803
Funded by:																
National Government		3,765	-	-	-	2,292	-	-	-	1,473	-	-	0	7,530	7,639	7,803
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		3,765	-	-	-	2,292	-	-	-	1,473	-	-	0	7,530	7,639	7,803
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds													2,790	2,790	-	-
Total Capital Funding		3,765	-	-	-	2,292	-	-	-	1,473	-	-	2,790	10,320	7,639	7,803

2.11 Annual Budget and service delivery and budget implementation plans internal – departments

Attached is the SDBIP for all departments.

2.12 Annual budgets and service delivery agreements – municipal entities and other external mechanisms.

The municipality does not have entities and the only service that is provided through other mechanism is for Fire Services and disaster management the municipal have a contract with Rural Metro which expires on the 30 June 2016.

Table 39 MBRR SA32 List of external mechanisms

KZN432 Kwa Sani - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
RURAL METRO	Yrs	2	DISASTER - FIRE AND EMERGENCY SERVICES	30 June 2016	R 800 000

2.13 Contracts having future budgetary implications

There are currently no contracts that are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Budget & Treasury Office.

Table 40 MBRR Table SA33 Contracts having future budgetary implications

KZN432 Kwa Sani - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.14 Capital expenditure details

The following 3 tables present details of the KSM's capital expenditure programme, firstly on new assets, renewal of assets and finally on the repair and maintenance of assets.

Table 41 MBRR SA34a Capital expenditure on new assets by asset class

KZN432 Kwa Sani - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	–	–	5,313	4,338	4,338	31	–	–
Infrastructure - Road transport		–	–	–	2,165	2,048	2,048	31	–	–
Roads, Pavements & Bridges					2,165	2,048	2,048	31		
Storm water										
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	3,147	2,290	2,290	–	–	–
Waste Management										
Transportation	2									
Gas										
Other	3				3,147	2,290	2,290			
Community		2,349	389	–	–	–	–	–	–	–
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls		2,349	389							
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other								–		
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		2,008	304	1,273	35	350	350	1,600	–	–
General vehicles				375		350	350	320		
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment					35		–			
Computers - hardware/equipment			95							
Furniture and other office equipment			210	898						
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		1,107								
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		901						1,280		
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	240	–	–	–	–	–
Computers - software & programming					240					
Other *(list sub-class)*										
Total Capital Expenditure on new assets	1	4,357	693	1,273	5,587	4,688	4,688	1,631	–	–
Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse										
Fire										
Conservancy										
Ambulances										

Table 42 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN432 Kwa Sani - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**4,437**	**7,694**	**11,623**	**2,165**	**4,196**	**4,196**	**7,687**	**7,639**	**7,803**
Infrastructure - Road transport		4,437	7,694	11,623	2,165	3,001	3,001	7,687	7,639	7,803
Roads, Pavements & Bridges		4,437	7,694	11,623	2,165	3,001	3,001	7,687	7,639	7,803
Storm water										
Infrastructure - Electricity		–	–	–	–	1,195	1,195	–	–	–
Generation										
Transmission & Reticulation										
Street Lighting						1,195	1,195			
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		**–**	**389**	**1,043**	**710**	**941**	**941**	**112**	**–**	**–**
Parks & gardens										
Sportsfields & stadia						44	44			
Swimming pools										
Community halls			389		710	897	897			
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other				1,043				112		
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development										
Other										
Other assets		**–**	**18**	**360**	**2,400**	**1,517**	**1,517**	**890**	**–**	**–**
General vehicles					743	35	35	600		
Specialised vehicles	10	–	–	–	12	–	–	–	–	–
Plant & equipment			18	217						
Computers - hardware/equipment				103	175	403	403	113		
Furniture and other office equipment				39	671	279	279	177		
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings					800	800	800			
Other Land										
Surplus Assets - (Investment or Inventory)										
Other							–			
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	100	100	–	–	–
Computers - software & programming										
Other *(list sub-class)*						100	100			
Total Capital Expenditure on renewal of existing	1	**4,437**	**8,101**	**13,025**	**5,276**	**6,754**	**6,754**	**8,689**	**7,639**	**7,803**
Specialised vehicles		**–**	**–**	**–**	**12**	**–**	**–**	**–**	**–**	**–**
Refuse					12					
Fire										
Conservancy										
Ambulances										
Renewal of Existing Assets as % of total capex		*50.5%*	*92.1%*	*91.1%*	*48.6%*	*59.0%*	*59.0%*	*84.2%*	*100.0%*	*100.0%*
Renewal of Existing Assets as % of deprecn"		*278.5%*	*428.3%*	*473.6%*	*253.8%*	*301.9%*	*301.9%*	*286.0%*	*249.0%*	*233.7%*

Table 43 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN432 Kwa Sani - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**–**	**1,415**	**647**	**1,062**	**1,725**	**1,725**	**1,358**	**1,333**	**1,406**
Infrastructure - Road transport		–	1,382	620	1,019	1,653	1,653	1,358	1,333	1,406
Roads, Pavements & Bridges			1,382	620	1,019	1,653	1,653	1,358	1,333	1,406
Storm water										
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	33	27	43	72	72	–	–	–
Waste Management			33	27	43					
Transportation	2									
Gas										
Other	3					72	72			
Community		**417**	**9**	**12**	**36**	**56**	**56**	**223**	**236**	**249**
Parks & gardens										
Sportsfields & stadia		52								
Swimming pools										
Community halls		365	9	12	25	56	56	211	223	236
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other					11		–	12	13	14
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development										
Other										
Other assets		**1,398**	**321**	**333**	**383**	**406**	**406**	**652**	**710**	**870**
General vehicles			138	174	164			228	261	276
Specialised vehicles	10	–	107	82	119	–	–	64	68	71
Plant & equipment		52			20					
Computers - hardware/equipment		200			17			10	11	11
Furniture and other office equipment		122						3	3	4
Abattoirs										
Markets										
Civic Land and Buildings			38	27						
Other Buildings		573	29	46	42			191	202	334
Other Land		382	9	4						
Surplus Assets - (Investment or Inventory)										
Other		69			20	406	406	156	165	174
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	**1,815**	**1,745**	**991**	**1,481**	**2,187**	**2,187**	**2,233**	**2,279**	**2,525**

Specialised vehicles		**–**	**107**	**82**	**119**	**–**	**–**	**64**	**68**	**71**
Refuse			107	82	119			64	68	71
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		*4.2%*	*4.0%*	*1.7%*	*1.9%*	*2.8%*	*2.8%*	*2.6%*	*2.5%*	*2.7%*
R&M as % Operating Expenditure		*6.1%*	*5.2%*	*2.6%*	*3.7%*	*5.0%*	*5.0%*	*5.1%*	*5.4%*	*5.4%*

Table 44 MBRR SA35 - Future financial implications of the capital budget

There are no future implications of capital budget as we do not have multi-year appropriations for capital budgets. The only future implications are for R & M which have been considered in the budget for R&M.

KZN432 Kwa Sani - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - Municipal governance and administration		890	–	–	–	–	–	–
Vote 2 - Community and public safety		70	–	–	–	–	–	–
Vote 3 - Economic and environmental services		–	–	–	–	–	–	–
Vote 4 - Trading services		9,356	7,639	7,803	–	–	–	–
Vote 5 - Other		4	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
List entity summary if applicable								
Total Capital Expenditure		**10,320**	**7,639**	**7,803**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Municipal governance and administration								
Vote 2 - Community and public safety		2,233	2,279	2,525				
Vote 3 - Economic and environmental services								
Vote 4 - Trading services								
Vote 5 - Other								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		2,233	2,279	2,525	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**12,553**	**9,918**	**10,328**	**–**	**–**	**–**	**–**

Table 45 Detailed capital budget broken down by ward over three years

KWA SANI MUNICIPALITY

SUMMARY OF CAPEX FOR 2015/2016

DESCRIPTION	2015/2016	2016/2017	2017/2018	WARDS
EQUIPMENTS	101,000			ALL WARDS
FURNITURE AND FITTINGS	155,900			ALL WARDS
COMPUTER EQUIPMENTS	113,000			ALL WARDS
Vehicles single cap	320,000			ALL WARDS
MAYORAL CAR	600,000			ALL WARDS
CONSTRUCTION OF UNDERBERG OLD MAIN ROAD	1,500,000			WARD 3
MIG PROJECTS				
MGQUTSHANA GRAVEL ROADS-RIDGE	59,180			WARD 1
KWA SANI ROADS		7639000	7803000	ALL WARDS
ZINKWANA PEDESTRIAN BRIDGE	128,084			WARD 1
UPGRADE OF WOOD FORD ROAD	7,199,379			WARD 3
ENHLANHLENI CRECHE	58,549			WARD 2
SONDELANI CRECHE	53,899			WARD 1
ENHLANHLENI STREAM CROSSING AND WALKWAYS	30,909			WARD 2
TOTAL	10,319,900	7,639,000	7,803,000	
FUNDING				
MIG	7,530,000	7,639,000	7,803,000	
INTERNALLY GENERATED REVENUE - TRF FROM INVESTMENTS	2,789,900			
TOTAL	10,319,900	7,639,000	7,803,000	
FUNDING				
MIG	73%	100%		
INTERNALLY GENERATED REVENUE - TRF FROM INVESTMENTS	27%	0%		
TOTAL	100%	100%		

Table 46 - Schedule of Service Delivery Standards

KZN432 - Schedule of Service Delivery Standards	
Description	
Standard	**Service Level**
Solid Waste Removal	
Premise based removal (Residential Frequency)	once a week
Premise based removal (Business Frequency)	daily
Bulk Removal (Frequency)	once a week
Removal Bags provided(Yes/No)	YES
Garden refuse removal Included (Yes/No)	YES
Street Cleaning Frequency in CBD	daily
Street Cleaning Frequency in areas excluding CBD	daily
How soon are public areas cleaned after events (24hours/48hours/longer)	24 HOURS
Clearing of illegal dumping (24hours/48hours/longer)	24 HOURS
Recycling or environmentally friendly practices(Yes/No)	YES
Licenced landfill site(Yes/No)	transfer station
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	
Water Quality rating (Blue/Green/Brown/N0 drop)	
Frequency of meter reading? (per month, per year)	PER MONTH
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	MONTH

Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	
Up to 5 service connection affected (number of hours)	
Up to 20 service connection affected (number of hours)	
Feeder pipe larger than 800mm (number of hours)	
What is the average minimum water flow in your municipality?	
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	
How long does it take to replace faulty water meters? (days)	
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	
Electricity Service	
What is your electricity availability percentage on average per month?	
Do your municipality have a ripple control in place that is operational? (Yes/No)	
How much do you estimate is the cost saving in utilizing the ripple control system?	
What is the frequency of meters being read? (per month, per year)	
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	
Are accounts normally calculated on actual readings? (Yes/no)	
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	
How long does it take to replace faulty meters? (days)	
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	
How effective is the action plan in curbing line losses? (Good/Bad)	

How soon does the municipality provide a quotation to a customer upon a written request? (days)	
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	YES
To what extend do you subsidize your indigent consumers?	
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	2 HOURS
Sewer blocked pipes: Large pipes? (Hours)	2 HOURS
Sewer blocked pipes: Small pipes? (Hours)	1 HOUR
Spillage clean-up? (hours)	
Replacement of manhole covers? (Hours)	
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	48 HOURS
Time taken to repair a single pothole on a minor road? (Hours)	12 HOURS
Time taken to repair a road following an open trench service crossing? (Hours)	24 HOURS
Time taken to repair walkways? (Hours)	N/A
Property valuations	
How long does it take on average from completion to the first account	ONE

being issued? (one month/three months or longer)	MONTH
Do you have any special rating properties? (Yes/No)	NO
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	DECREASE
Are the financial statement outsources? (Yes/No)	YES
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	Yes
How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 DAYS
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	YES
Administration	
Reaction time on enquiries and requests?	2 DAYS
Time to respond to a verbal customer enquiry or request? (working days)	1 DAY
Time to respond to a written customer enquiry or request? (working days)	2 DAYS
Time to resolve a customer enquiry or request? (working days)	2 DAYS
What percentage of calls are not answered? (5%,10% or more)	5
How long does it take to respond to voice mails? (hours)	2 hours
Does the municipality have control over locked enquiries? (Yes/No)	Yes
Is there a reduction in the number of complaints or not? (Yes/No)	YES
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 DAY
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	weekly

Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	10 minutes
How long does it take to renew a vehicle license? (minutes)	3 minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	5 minutes
How long does it take to de-register a vehicle? (minutes)	5 minutes
How long does it take to renew a drivers license? (minutes)	3 minutes
What is the average reaction time of the fire service to an incident? (minutes)	20 minutes
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	2 hours
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	5 hours
Economic development	
How many economic development projects does the municipality drive?	4
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	1
What percentage of the projects have created sustainable job security?	-
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	NO
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	NO
Does the municipality have training or information sessions to inform the community? (Yes/No)	YES
Are customers treated in a professional and humanly manner? (Yes/No)	YES

2.15 Legislations compliance status

The 2015/2016 MTREF has been prepared in terms of MFMA, treasury circulars, gazettes, regulations and other relevant Acts.

2.16 Annual budgets of municipal entities attached to the municipal budget.

The municipality does not have municipal entities.

2.17 Section 14(5) of the Local Government: Municipal Structures Act

The municipality has complied with the above Act and the budget is line with the resolutions taken by the Municipal Technical Change Management Committee including decisions relating to filling of vacant post, use of reserves, contracts that would have a period more than ten months and purchase of assets more than R 500 000.

2.18 Redetermination of Municipal boundaries

The municipality have budgeted for Dermacation grant as gazetted in the DORA and is in the process of allocating the expenditure that would be borne by Kwa Sani Municipality and Ingwe Municipality. Even though the plan has not been approved by TCMC some of the projects that would be considered for this grant are the following;

- Consolidation of Policies and By-laws
- Development of General Valuation Roll
- Consolidation of Procedures Munual
- Consolidation of Financial Systems
- Consolidation of FAR

Based on the above it clear that the gazetted Dermacation Grant would not be enough to cover the expenses that would be incurred by the municipality during and before the amalgamation.

2.19 Municipal regualtion on the Standard Chart of Accounts (mSCOA)

The Municipal Council adopted the regulation for the Standard Chart of Accounts and have an ongoing consulation with current Finance system provider (SAMRAS) to ensure that the munipality would be able to implement it. SAMRAS is one of the service providers that have pilot sites for mSCOA and based on their reports it seems as if they would be one of service providers that comply with mSCOA requirements.

2.20 Other documetnts

Attached are the following documents which forms part of the budget document.

- Summary of budget by municipal budget line items
- A 1 Schedule
- Public Notice for the Approval of Final Budget, Policies and Tariffs of charges for 2015/2016
- Budget related policies and rates-by laws
- Treasury's comments and municipality's responses on commments

2.21 SUMMARY OF BUDGET BY MUNICIPAL BUDGET LINE ITEMS

KWA SANI MUNICIPALITY

2015/2016 MTREF

	2014/2015 BUDGET	2014/2015 ORIGINAL	2014/2015 ADJUSTED	2015/2016	2016/2017	2017/2018
Sub-section	30 EMP RELATED COSTS - WAGES					
3000	SALARY	12,949,558	12,544,025	12,434,899	13,295,305	14,073,081
3002	ANNUAL BONUS	1,169,572	957,430	1,060,372	1,121,639	1,187,255
3003	CELLPHONE ALLOWANCES	6,846	6,846	7,325	7,775	8,230
3004	TRANSPORT ALLOWANCES	199,665	193,592	213,642	226,781	240,047
3006	EPWP STIPEND	81,855	431,024	489,908	461,153	488,131
3007	OVERTIME	608,387	796,614	778,935	773,242	818,477
3008	HOUSING ALLOWANCE	68,121	65,014	71,578	75,980	80,424
3009	ACTING ALLOWANCE	218,086	121,119	76,216	77,835	82,388
3010	BACK PAY	78,378	124,328	115,710	122,820	130,005
3011	RE-IMBURSIVE TRAVEL	391,996	603,356	599,241	648,571	686,512
3012	HOUSING ALLOWANCE	0	0	0	0	0
4550	LEAVE PROVISION	510,886	318,106	144,612	189,764	200,865
3013	LONG SERVICE BONUS	25,139	28,978	24,093	24,784	38,896
	Sub Total	16,308,490	16,190,431	16,016,530	17,025,650	18,034,311
Sub-section	31 EMP RELATED COSTS - SOCIAL					
3100	MEDICAL AID CONTRIBUTIONS	556,919	525,136	543,335	585,201	619,435
3101	PENSION FUND CONTRIBUTIONS	1,534,960	1,344,476	1,556,798	1,784,205	1,888,581
3102	BARGAINING COUNCIL	7,909	7,088	8,876	7,812	8,269
3103	UIF	124,423	114,091	104,518	114,191	120,871
3105	SKILLS DEVELOPMENT LEVY	174,657	157,190	172,915	163,756	173,335
	Sub Total	2,398,868	2,147,982	2,386,442	2,655,164	2,810,491
		18,707,358	18,338,413	18,402,972	19,680,813	20,844,802
Sub-section	34 REMUNERATION OF COUNCILLORS					
3400	COUNCILLOR ALLOWANCES	1,260,736	1,367,245	1,483,796	1,575,049	1,667,189
3402	MEDICAL AID CO.CONTRIBUTIONS	0	0	0	0	0
3403	CELLPHONE ALLOWANCES	92,664	123,826	183,265	194,536	205,917
3404	TRANSPORT ALLOWANCES	187,283	200,021	209,412	222,290	235,294
	Sub Total	1,540,683	1,691,091	1,876,473	1,991,876	2,108,400
	TOTAL EMPLOYEE COSTS	20,248,040.78	20,029,504.40	20,279,445.02	21,672,689.00	22,953,202.65
	TOTAL EMPLOYEE COSTS %	51%	46%	46%	51%	49%
Sub-section	37 DEPRECIATION					
3700	DEPRECIATION & ASSET IMPAIRMENT	2,078,481	2,236,932	3,038,134	3,067,384	3,339,157
	Sub Total	2,078,481	2,236,932	3,038,134	3,067,384	3,339,157
Sub-section	38 REPAIRS & MAINTENANCE					
3800	OFFICE BUILDING	41,319	32,723	190,551	201,794	333,094
3801	OFFICE FURNITURE & FITTINGS	0	0	3,144	3,329	3,516
3802	buildings & structures	863	761	370	392	414
3804	EQUIPMENT	2,664	2,664	77,400	81,967	86,557
3806	Pumps	0	0	0	0	0
3807	vehicles	164,461	215,056	227,953	261,236	275,867
3808	Dump	42,783	72,006	68,159	72,180	76,222
3810	tractors and trailers	118,980	96,536	63,843	67,610	71,396
4495	Small tools	20,040	39,879	10,000	10,590	11,183
4404	FURNITURE & EQUIPMENT	17,585	15,376	67	71	75
4457	COMPUTER COSTS	17,332	15,963	10,221	10,824	11,430
3811	roads	1,019,345	1,653,000	1,358,002	1,331,798	1,406,379
3813	taxi rank	10,724	17,914	12,205	12,925	13,649
3815	OFFICE MACHINES	0	0	0	0	0
3816	Commonage	0	0	0	0	0
3817	Community Halls& Sportsfield	24,993	24,993	210,742	223,175	235,673
	Sub Total	1,481,089	2,186,870	2,232,658	2,277,893	2,525,456
Sub-section	40 FINANCE CHARGES					
3900	INTEREST PAID	74,955	74,955	150,539	129,420	116,668
4000	CURRENT SERVICE COSTS	43,823	43,823	0	0	0
4001	INTEREST ON LONG SERVICE AWARDS	41,507	41,507	0	0	0
	Sub Total	160,286	160,285	150,539	129,420	116,668

	2014/2015 BUDGET	2014/2015 ORIGINAL	2014/2015 ADJUSTED	2015/2016	2016/2017	2017/2018
Sub-section	**44 GENERAL EXPENSES**					
4400	Audit committee	97,742	125,680	150,136	158,995	167,898
4401	disaster management	53,355	29,933	26,508	28,072	29,644
4402	Deeds returns	1,673	2,532	1,990	2,108	2,226
4403	fuel & oil	631,767	607,063	647,833	436,055	640,475
4405	Insurances	136,118	141,192	148,087	156,824	165,607
4406	Legal fees	450,950	778,510	630,920	668,144	705,560
4407	SECURITY	773,880	586,899	787,120	833,561	880,240
4408	SUBSCRIPTIONS	2,228	2,228	6,230	6,598	6,967
4409	SUBSISTENCE & TRAVEL	517,983	1,033,095	815,914	614,053	928,440
4410	SUNDRY	54,072	41,375	43,623	46,197	48,784
4411	Special & Youth Programs	365,000	485,000	463,785	441,149	615,853
4412	Television service	0	0	0	0	0
4413	Dev -Policies & Procedures	116,923	280,000	0	0	0
4414	Valuation fee	250,406	225,600	217,300	230,121	243,007
4415	WORKMANS COMPENSATION	196,879	300,000	100,368	106,290	112,242
4416	vehicle leases	94,609	240,953	25,680	27,195	28,718
4417	Catering costs	0	0	0	0	0
4551	**AUDIT FEES**	1,787,600	1,887,600	2,113,615	2,038,318	2,352,464
4420	V.I.P. Catering & Visits	62,924	37,669	25,827	27,351	28,882
	ARTS AND CULTURE	178,104	190,260	200,002	211,803	223,664
4422	CONFERENCES	85,977	158,534	8,279	8,768	9,259
	STRATEGIC PLANNING	100,000	114,600	120,000	127,080	134,196
4423	ELECTRICITY	337,054	226,661	273,174	289,291	305,491
4425	FAX	12,549	10,269	4,410	4,670	4,931
4426	PHOTOCOPIER	153,045	52,347	11,374	12,045	12,720
4427	PRINTING	305,275	417,211	214,948	177,630	187,577
4428	STAFF TRAINING	608,677	742,107	719,243	521,678	910,892
4429	TELEPHONE	479,905	795,704	655,025	593,672	626,918
4430	WATER	90,123	138,631	97,033	102,758	108,512
4433	protective clothing	46,675	43,223	14,334	15,180	16,030
4435	CONSUMABLES	74,712	118,400	90,235	95,559	100,911
4436	POSTAGE	6,839	32,009	34,807	36,860	38,924
4441	Refuse bags	27,270	25,474	37,629	39,849	42,081
4442	Removal fees	874,714	915,503	833,651	882,836	932,275
4443	fire services	1,005,082	976,693	820,000	818,380	864,209
4444	radio expense	2,785	6,482	4,006	4,242	4,480
4445	uniforms	106,550	74,080	22,857	24,205	25,561
4446	BANK CHARGES	45,955	57,494	55,392	58,661	61,945
4447	ADVERTISING	327,445	199,412	216,004	228,748	291,558
4449	Stands & Exhibitions	272,358	56,305	65,216	69,063	72,931
4458	Lease office	35,003	35,304	33,957	35,960	37,974
4461	FREE BASIC SERVICES	188,287	180,859	188,812	199,952	211,149
4462	SALGA KZN	450,288	450,288	463,739	491,100	518,601
4509	WARD COMMITTEES	100,890	330,494	295,825	313,279	330,823
4468	street light underberg and himeville	105,526	265,836	198,347	210,049	221,812
4474	CAPACITY BUILDING	298,793	388,500	315,852	284,487	350,419
4476	MFMA Expense	408,695	608,695	845,128	460,725	672,988
4477	vehicle tracking	5,634	24,961	21,060	22,302	23,551
4480	MSIG EXPENSE	582,369	773,633	409,260	183,406	393,677
4483	STATIONERY	196,991	190,249	192,050	153,381	211,971
4485	MEMBERSHIP FEES	3,957	3,957	23,108	24,472	25,842
4487	PR- publications & sponsorship	409,932	409,537	193,177	204,575	316,031
4488	SPORTS	100,000	102,400	65,038	68,875	172,732
4489	vehicle licenses	19,536	20,107	25,367	26,864	28,368
4490	HIV & AIDS AWARENESS	83,100	89,220	117,570	124,507	231,479
4492	Youth & Sports development	169,920	69,920	49,969	52,917	55,881
4493	Local Economic Development	543,338	506,311	599,628	535,006	564,966
4503	Pauper Burials	48,793	36,700	43,670	46,247	48,837
	IDP PROGRAMMS	0	90,000	90,192	95,514	200,862
	CORRIDOR DEVELOPMENT	0	1,371,495	0	0	0
	EPWP	551,273	38,248	345,549	335,937	354,749
4506	SPACIAL DEVELOPMENT FRAMEWORK & INEP	450,000	450,000	400,000	73,600	957,122
	DEMARCATION GRANT	0	0	1,857,000	0	0
	Tourism programmes	0	0	313,000	181,154	191,117
	EMPLOYEE AWARENESS	0	40,000	50,000	52,950	55,915
	IT SERVICES-CONTRACTED	0	141,755	50,000	52,900	55,810
	Sub Total	**15,667,528**	**18,791,603**	**17,889,854**	**14,614,061**	**17,538,676**
	CONTRACTED SERVICES	7,733,100	10,077,378	4,031,472	4,069,279	4,497,105
NEW VOTE	**TRANSFERS & GRANTS**	370,420	228,000	238,944	253,042	267,212

	2014/2015 BUDGET	2014/2015 ORIGINAL	2014/2015 ADJUSTED	2015/2016	2016/2017	2017/2018
Sub-section	45 PROVISIONS					
4508	PROVISION FOR BAD DEBTS	0	0	111,158	117,716	124,309
4568	PROVISION FOR FINES-IMPAIRMENT	0	4,500	3,537	3,746	3,955
4560	13th Cheque	0	-1	103,935	110,067	116,231
	Sub Total	**0**	**4,500**	**246,427**	**260,967**	**275,581**
	TOTAL EXPENDITURE	**40,005,845**	**43,637,695**	**44,076,001**	**42,275,455**	**47,015,953**
Sub-section	10 REVENUE					
1008	OTHER	0	-1,188	-934	-989	-1,044
1013	SISONKE WASTE MANAGEMENT GRANT	0	-103,635	-74,515	-78,911	-83,330
	Sub Total	**0**	**-104,823**	**-75,449**	**-79,900**	**-84,375**
Sub-section	13 FINES					
1300	FINES	-106,874	-117,500	-83,709	-88,648	-93,612
	Sub Total	**-106,874**	**-117,500**	**-83,709**	**-88,648**	**-93,612**
Sub-section	16 GRANTS RECEIVED					
1610	GOVERNMENT EQUITABLE SHARE	-13,627,000	-13,627,000	-15,076,000	-15,032,000	-14,642,000
1613	MUN FIN MANAGEMENT GRANT	-1,800,000	-1,800,000	-1,800,000	-1,825,000	-1,900,000
1616	MSIG GRANT	-934,000	-934,000	-930,000	-957,000	-1,033,000
1008	OTHER - DEMARCATION GRANT	0	0	-1,857,000	0	0
1623	Arts and Culture Grants	-661,000	-661,000	-723,000	-761,000	-800,000
1624	Sports Grant Income	-150,000	-150,000	-150,000	0	0
1638	ELECTRIFICATION GRANT	0	0	0	0	-721,000
1639	EPWP-Incentive grant	0	0	-1,000,000	0	0
	Sub Total	**-18,253,000**	**-18,253,000**	**-21,536,000**	**-18,575,000**	**-19,096,000**
	GRANT DEPENDENCY %	**46%**	**42%**	**49%**	**44%**	**41%**
Sub-section	17 OTHER REVENUE					
1701	DISCOUNT RECEIVED	-25,488	-25,488	0	0	0
1703	SUNDRY INCOME	-60,888	-8,327	-46,523	-49,267	-52,026
1704	SKILLS LEVY INCOME	-11,214	-16,975	-20,585	-21,800	-23,021
	ANIMAL POUND	-25,488	-44,484	0	0	0
	EPWP - GRANT ROLL OVER	0	-74,397	0	0	0
	SMALL TOWN REHABILITATION GRANT	0	0	0	0	0
1707	Building Plans	-91,152	-146,816	-136,026	-144,052	-152,119
1709	garden refuse	-2,483	0	0	0	0
1710	refuse bag sales	-1,534	-1,894	-2,089	-2,212	-2,336
1711	refuse removal	-3,389	0	0	0	0
1713	PROFIT ON DISPOSAL OF FIXED ASSETS	-106,200	0	0	0	0
1718	Hall Hire	-2,485	-3,045	-3,136	-3,321	-3,507
1719	Burial fees	-1,243	-5,670	-4,395	-4,654	-4,915
	CORRIDOR DEVELOPMENT	0	-1,961,898	0	0	0
1737	FRAUD PREVENTION	0	-171,343	-171,343	0	0
	ARTS & CULTURE	0	-229,833	0	0	0
	MPRA	0	-39,850	0	0	0
1744	VAT REFUND-OTHER INCOME	-1,589,553	-2,529,913	-1,488,053	-1,575,848	-1,664,095
2002	RATES CERTIFICATES	-1,784	-9,350	-7,463	-7,903	-8,346
1743	KZN PBA APPLICATIONS	-2,071	-2,071	-6,078	-6,437	-6,797
	FREE BASIC SERVICES	0	-196,807	0	0	0
	SDF	0	-126,278	-126,278	-133,728	-141,217
1746	ADVERTISING	-38,748	-38,748	0	0	0
1748	LIBRARY REVENUE	0	-3,310	-2,601	-2,755	-2,909
1745	GIS Software	-341,173	-292,621	0	0	0
	SPORTS GRANT ROLL OVER					
	BOOKKEEPING GRANT ROLL-OVER	0	-109,397	0	0	0
	PMS	0	-48,364	0	0	0
	SHARED PLANNER 20% FROM INGWE	0	-96,000	-104,004	-110,140	-116,308
	Sub Total	**-2,304,893**	**-6,221,557**	**-2,124,139**	**-2,068,011**	**-2,183,820**

	2014/2015 BUDGET	2014/2015 ORIGINAL	2014/2015 ADJUSTED	2015/2016	2016/2017	2017/2018
	LICENCES & PERMITS					
1715	MV Licenses	-223,009	-278,166	-295,736	-313,184	-330,722
1714	Licence conversion	-90	0	0	0	0
1724	Taxi permits	-8,069	-955	-1,594	-1,688	-1,783
1725	Vendor permits	-1,275	-4,552	-4,087	-4,328	-4,571
1734	Leaners licenses	-509,760	-169,920	-524,000	-554,916	-585,991
	Sub Total	**-742,202**	**-453,593**	**-825,417**	**-874,117**	**-923,067**
Sub-section	20 PROPERTY RATES					
2000	GENERAL RATES	-21,017,678	-21,244,358	-22,557,106	-23,887,975	-25,225,702
2001	GENERAL RATES REBATE	7,531,483	7,562,481	8,386,805	8,881,626	9,378,997
2003	DISCOUNT ALLOWED	3,300	52,050	54,549	57,767	61,002
	Sub Total	**-13,482,895**	**-13,629,827**	**-14,115,752**	**-14,948,582**	**-15,785,702**
Sub-section	35 PENALTY					
3500	PENALTY	-748,443	-187,525	-288,554	-686,940	-820,406
3501	COLLECTION CHARGES	-321,427	-928,821	-961,706	-693,468	-1,734,565
	Sub Total	**-1,069,870**	**-1,116,346**	**-1,250,260**	**-1,380,408**	**-2,554,971**
Sub-section	70 RENTALS					
7000	RENTALS	-352,902	-320,417	-461,049	-483,180	-989,552
	Sub Total	**-352,902**	**-320,417**	**-461,049**	**-483,180**	**-989,552**
	80 INTEREST RECEIVED					
8000	INTEREST ON INVESTMENTS	-1,541,229	-1,175,739	-1,256,904	-1,317,235	-2,697,697
	Sub Total	**-1,541,229**	**-1,175,739**	**-1,256,904**	**-1,317,235**	**-2,697,697**
Sub-section	90 Tariff Income					
9000	service charge	-2,164,188	-2,548,603	-2,674,204	-2,831,982	-2,990,573
9001	refuse rebate	0	291,502	314,650	333,215	351,875
	Sub Total	**-2,164,188**	**-2,257,101**	**-2,359,553**	**-2,498,767**	**-2,638,698**
	TOTAL INCOME	**-40,018,054**	**-43,649,903**	**-44,088,232**	**-42,313,847**	**-47,047,494**
	OPERATING (SURPLUS)/DEFICIT	**-12,209**	**-12,208**	**-12,231**	**-38,391**	**-31,541**

2.22 Municipal manager's quality certificate

KWA SANI MUNICIPALITY

KWA SANI MUNICIPALITY

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I.....NC James.....The Municipal Manager of Kwa Sani Municipality, hereby certify that the 2015/2016 Budget and Supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Budget and Supporting Documentation is inconsistent with the Integrated Development Plan of the municipality.

Signature_____
Municipal Manager Kwa Sani Municipality (KZN432)

Date 25/06/2015

2.23 Extract of Council Resolution

KWA SANI MUNICIPALITY

Kwa Sani Municipality
P.O. Box 43
Himeville
3256
32 Arbuckle Street
Himeville
3256
Tel.: 033 7021 060
Fax: 033 7021 148
Email addresses
Mayor
mayor@kwasani.gov.za
Municipal Manager
mm@kwasani.gov.za
Finance Department
cfo@kwasani.gov.za
creditors@kwasani.gov.za
debtors@kwasani.gov.za
Community Services
comservices@kwasni.gov.za
Planning &Development
technical@kwasani.gov.za
Youth & Special Program
youth@kwasani.gov.za
Local Economic Dev.
led@kwasani.gov.za

EXTRACT OF MINUTES OF KWA SANI GENERAL COUNCIL MEETING HELD ON THE 29TH MAY 2015 AT 10H00 IN HIMEVILLE HALL

Present:	Cllrs	M. Banda	ANC Mayor
		E. Radebe	ANC Councillor
		S. Mqwambi	ANC Councillor
		N. Mncwabe	ANC Councillor
		P. Crawley	DA Councillor
Mesdames		N. Mohau	Corporate Services Manager
		L Mhlophe	IDP/PMS Officer
		T. Gwexe	Building Control Officer
		T. Ngobese-Zulu	Committee Clerk
Merrs		T. Mketsu	CFO
		S. Mvelase	Senior Technical Officer
		J. Mazibuko	Town Planner
		P. Mtungwa	Senior Accountant Officer
Leave of Absence		P. Majozi	ANC Councillor
		D. Adam	DA Councillor
		N. James	Municipal Manager
		S. McAlister	Community Services Manager

Items	Minutes	Action & Time frame
14.	***2015/2016 FINAL ANNUAL BUDGET*** The resolution was taken in the General Council Meeting that was held on the 29TH May 2015 in Himeville Hall.	

	Cllr Mqwambi **PROPOSING** and Cllr Crawley **SECONDING**, it was **RESOLVED NO. 44 MAY 2015** To approve the final budget, and Tariffs for 2015/2016, IT policies, the following budget related policies and its procedure manuals. 1. RATES POLICY 2. RATES BY-LAWS 3. SUPPLY CHAIN MANAGEMENT POLICY 4. SUBSISTENCE AND TRAVEL POLICY 5. TARIFFS POLICY 6. MFMA FUNDING COMPLIANCE POLICY 7. BUDGET POLICY 8. POLICY ON INFRACTURE INVESTMENTS AND CAPITAL PROJECTS 9. POLICY ON LONG TERM FINANCIAL PLANNING 10. BANKING AND INVESTMENT POLICY AND 11. BORROWING POLICY 12. CREDIT CONTROL POLICY 13. ASSET MANAGEMENT POLICY 14. WRITING OFF OF IRRECOVERABLE DEBT & IMPAIRMENT OF DEBTORS POLICY 15. VIREMENT POLICY 16. INDIGENT SUPPORT POLICY 17. FLEET MANAGEMENT POLICY	

I confirm the above to be a true extract of the minutes.

2015/06/04

T. Mketsu **Date**

Chief Financial Officer

2.23 Public Notice for the Final Budget

KWA SANI MUNICIPALITY PUBLIC NOTICE

PUBLIC NOTICE ON THE APPROVAL OF FINAL BUDGET, BUDGET RELATED POLICIES, RATES BY-LAWS, MUNICIPAL RATES & TARIFFS OF CHARGES FOR 2015/2016

Notice is hereby given in terms of the Local Government Municipal Systems Act No. 32 of 2000 and Municipal Property Rates Act No.6 of 2004, that the Final Budget of the Kwa Sani Municipality for 2015/2016 has been approved by Council Resolution taken on the 29th May 2015 in terms of the Local Government Municipal Finance Management Act No. 56 of 2003.

The property rates tariffs that will be applicable in 2015/2016 financial year are as follows:

	2014/2015	2015/2016
CAT 1:RESIDENTIAL PROPERTIES	1.246c/R	1.306c/R
CAT 2:COMMERCIAL PROPERTIES	2.493c/R	2.613c/R
CAT3:AGRICULTURAL PROPERTIES	0.311c/R	0.326c/R
CAT4:STATE OWNED PROPERTIES	1.246c/R	1.306c/R
CAT 5:PSI	0.311c/R	0.326c/R
CAT 6: PBO	0.311c/R	0.326c/R
CAT 8:TOURISM & HOSPITALITY RURAL	0.623c/R	0.653c/R
CAT 10:RESIDENTIAL SMALL HOLDING	1.246c/R	1.306c/R
CAT 11:TOURISM & HOSPITALITY URBAN	1.246c/R	1.306c/R

The first R 15 000 of all tourism & hospitality urban properties (B&B) and first R 50 000 on residential & residential small holding properties be exempt from the calculation of rates as per the Municipal Rates policy.

The tariffs will be applied to property values in the General Valuation Roll & Supplementary Rolls prepared in terms of MPRA. Property owners who have lodged objections on the market values of their properties are required to pay rates based on the objected values in terms of MPRA until their objections have been considered and adjustments will be made afterwards.

2. The 2015/2016 rates will be subjected to the following rebates, in terms of Council's Rates policy.

DESCRIPTION	2014/2015	2015/2016
REBATES		
Developed Residential Properties	30%	30%
Residential Properties (situated outside the proclaimed boundaries of the townships Himeville & Underberg	5%	5%
Developed Business, Commercial & Industrial Properties	30%	30%
Commercial Properties (situated outside the proclaimed boundaries of the townships Himeville & Underberg	5%	5%
Agricultural Properties (situated outside the proclaimed boundaries of the townships Himeville & Underberg	35%	35%
Public Service Infrastructure Properties	30%	20%
Public Benefit Organisation Properties	100%	100%
Developed Commercial Properties utilized predominantly for Tourism & Hospitality (situated within & outside the proclaimed boundaries of the townships Himeville & Underberg)	30%	30%
Tourism & Hospitality Properties (situated outside the proclaimed boundaries of the townships Himeville & Underberg)	5%	5%
Developed Residential Smallholding Properties	30%	30%
Residential Smallholding Properties (situated outside the proclaimed boundaries of the townships Himeville & Underberg	5%	5%

OTHER RELIEF MEASURES (on application)

Indigent Owners Rebate	100%	100%
Pensioners Rebate 1	50%	50%
Pensioners Rebate 2	75%	75%
Pensioners Rebate 3	100%	100%
Disability Rebate	100%	100%
Child-Headed Households	100%	100%
Small Commercial Properties utilised predominantly for tourism & hospitality purposes	2%	2%
Non-Profit Organisation	100%	100%
Agricultural Bona Fide Farming Rebate	50%	50%
Commercial Properties utilized predominantly for tourism & hospitality purposes	20%	20%
Tourism & Hospitality Urban Properties (CAT11)	20%	20%
Properties in private ownership utilized for informal settlements	100%	100%
EXEMPTIONS	**REBATE**	
Ingonyama Trust Land	100%	100%
Place of Worship & official Residence	100%	100%

1. **Due dates for Rates.**

2.1 That the final date for payment of annual rates be fixed at 30 October 2015 with a 3.2% discount for full payment upfront.

2.2 That rates are payable over a period of ten (10) equal instalments with the first instalments payable on or before the last day of September 2015 Thereafter each monthly instalment must be paid on or before the last working day of each month and provide that penalties will accrue at 18% per annum if an instalments is not paid by the last working day of the month, and a flat 10% collection charge will be charged on any monthly instalments that fall two months into arrears, in terms of the Council's Debt Management Policies.

2.3 All other tariffs of charges for services rendered by the municipality will be increased by 4.8%

2.4 Annual Refuse Removal will be charged as follows:

A. Tariffs of Chargers

DOMESTIC REFUSE CHARGES	CATEGORY	TARIFF

These charges are to all developed properties situated within the proclaimed boundaries of the Townships Underberg & Himeville, including those properties who receive municipal services.

Residential Properties	**2014/2015**	**2015/2016**
For residential properties, refuse is charged to each single dwelling unit, including any dwelling property situated within a complex.		
Government Housing	R 512.00	R537.00
Residential Properties	R 3,240.00	R 3,396.00
Tourism & Hospitality Urban properties	R 3,240.00	R 3,396.00
Agriculture & Residential smallholding properties	R 3,240.00	R 3,396.00
Business and other properties are billed for the sum of the business within each Centre/Mall/Property.		
Business & Other properties		
Large	R 16,546.00	R 17,340.00
"Significant volume of waste and difficult to handle"		
Medium	R 8,187.00	R 8,580.00
Small	R 4,008.00	R 4,200.00
Note: the refuse tariff includes vat.		

TARIFFS

	2014/2015	**2015/2016**
A) **BUILDING PLANS**		
1 building fee per sqm	R 18.85	R19.75
	2014/2015	**2015/2016**
B) ROAD ENDOWMENTS		
1 90-200 sqm	R 1,496.20	R 1 568.00
2 201 – 400 sqm	R 2,992.41	R 3,136.00
3 401 – 800 sqm	R 5,236.72	R 5,488.00
>801 sqm	R 7,481.03	R 7,840.00
C**) CEMETERY**		
1 Indigent burial fee	R 44.89	R 47.00
2 burial fee	R 583.52	R 612.00

3 ashes burial fee	R 44.89	R 47.00
4 cemetery fee	R 336.65	R 353.00
D**) HALL HIRE**		
1 Funerals	R 104.74	R 110.00
2 Beauty Contests	R 179.53	R 188.00
3 Weddings	R 418.94	R 439.00
5 Deposit	R 374.04	R 392.00
E) **PERMITS**		
1 Vendor permits	R 64.03	R 67.00
2 Taxi permits	R 68.01	R 71.00
F**) LIBRARIES**		
1 Photocopies – A3 per copy	R 14.96	R 8.00
2 Photocopies – A4 per copy	R 3.36	R 4.00
G**) PLOT CLEARING**		
1 Firebreaks / Plot clearing	R 930.36	R 975.00
H**) REMOVAL OF GARDEN REFUSE**		
1 Garden Refuse collection per load	R 199.86	R 209.00
I SPECIAL REMOVAL		
1 Rubble collection per load	R 415.93	R 436.00
J**) VALUATION**		
1 Valuation roll/ supplementary roll per hard copy	R 254.35	R 267.00
2 Valuation roll / supplementary roll per electronic copy	R 267.07	R 280.00
3 Valuation appeal / reasoning fee	R 128.08	R 134.00
K**) CLEARING CERTIFICATE**		
1 Certificate cost	R 84.58	R 89.00
L) **MISCELLANEOUS CHARGES**		
1 Refuse Bags (20's)	R 27.20	R 29.00
2 Refuse Bags (50's)	R 54.41	R 59.00
3 Photocopies – A3 per copy	R 14.96	R 16.00
4 Photocopies – A4 per copy	R 3.36	R 4.00
5 Photocopies – AO per copy	R 102.47	R 107.00

B.BUILDING CONTROL & PLANNING

Tariff of Charges for 2015/2016

	2014/2015	2015/2016
BUILDING CONTROL		
Erecting a building prior to local authority's approval	R 100 per day	R 100 per day
Failing to comply with notice prohibiting erection of a building	R 100 per day	R 100 per day
Occupying a building prior to issue of certificate by local authority	R 1 423.98	R 1 492.00
Hinder or obstructs any building officer etc.	R 2,131.20	R 2 233.00
Failing to maintain any mechanical equipment or service installation in connection with a building condition	R 711.16	R 745.00
Failing to comply with notice with regulation	R 2,131.20	R 2 233.00
Perform trade of plumbing without being trained plumber etc.	R 711.16	R 745.00
Carry out of plumbing work by a person other than a trained plumber, or exempted person	R 711.16	R 745.00
Trained plumber cases or permits non trained plumber to practice the trade of plumbing etc.	R 711.16	R 745.00
No notice given of intention to erect or demolish a building	R 711.16	R 745.00
No notice given that tranches/drains are ready for inspections	R 711.16	R 745.00
Construction of foundation before approval of trenches and excavations	R 1,423.98	R 1 492.00
Owner backfills or enclose drainage installation before inspection, testing and approval	R 711.16	R 745.00
Using of building for purpose other than the purpose which causes in the class of occupancy	R 2,131.20	R 2 233.00
Deviates from approved plan		R 745.29
Fails to cease work after notification of Council to do so	R 2,131.20	R 2 233.00
Fails to comply with Notice to erect building in accordance with regulation	R 711.16	R 745.00
Failing to provide protection of the edge of an balcony, bridge, flat roof or similar place	R 1, 065.60	R 1 117.00
Access to swimming pool not controlled	R 1, 065.60	R 1 117.00
Demolishing a building without permission from Local Council	R 106.00	R 111.00
Leaving a building in cause of demolition in a state dangerous to the public or any adjoining property	R 2,131.20	R 2 233.00

Fail to erect a fence, hoarding or barricade	R 1064 / R 1420	R 1115/1488
Fail to confine any work of erection or demolition within the boundaries of site		
Construct any pit latrine without the permission of the local Authority	R 711.16	R 745.00
Fail to provide sufficient fire extinguishers etc.	R 1,423.98	R 1 492.00
Cause or permit any escape route to be rendered less effective etc.	R 1,423.98	R 1 492.00
Fail to observe conditions imposed to Local Authority	R 711.16	R 745.00
Fail to limit dust arising from work etc.	R 711.16	R 745.00
Failing to comply with a notice to cut into or lay open work or to carry out tests	R 711.16	R 745.00
Failing to comply with a notice to remove rubble, rubbish and/or debris from a building site	R 711.16	R 745.00
Failing to comply with a notice to remove surplus material and matter from the site or land or public street or arising from building or demolition work	R 711.16	R 745.00
Erecting or demolishing a building without providing sanitary facilities for employees	R 711.16	R 745.00
Fail to provide drainage installation	R 711.16	R 745.00
Fail to lay, alter or extend any drain etc.	R 2,131.20	R 2233.00
Permit sewerage to enter any street	R 2,131.20	R 2 233.00
Permit sewerage to enter any river etc.	R 2,131.20	R 2 233.00
Cause or permit storm water to enter any drainage installation on any site	R 711.16	R 745.00
Discharge or cause discharge of any water from a swimming pool etc. or any public street etc.	R 711.16	R 745.00
Fail to seal opening to pipe or drain etc.	R 711.16	R 745.00
Fail to seal opening permanently disconnected drain	R 711.16	R 745.00
Fail to notify the municipality of disconnecting of any drainage installation	R 711.16	R 745.00
INDUSTRIAL/COMMERCIAL		

Interfere with any sewer or connecting sewer	R 1,420.80	R 1 489.00
Fail to seal opening to piper or drain etc.	R 711.16	R 745.00
Fail to notify municipality of disconnecting of any drainage installation	R 711.16	R 745.00
Interfere with any sewer or connecting sewer	R 1,291.64	R 1 354.00
Break into or interfere with any drainage installation etc.	R 1,291.64	R 1 354.00
Put into use any drainage installation before inspection etc.	R 1,420.80	R 1 489.00
Construct any pit latrine without the permission of the municipality	R 710.40	R 744.00
Fail to provide sufficient fire extinguishers etc.	R 1,420.80	R 1 489.00
Cause or permit any escape route to be rendered less effective etc.	R 1,420.80	R 1 489.00
TOWN PLANNING		
Copies of Document A4 (per page)	R 3.36	R 4.00
Copies of Document A3 (per page)	R 6.00	R 8.00
Copies of Document A2 (per page)		R 16.00
Copies of Document A1 (per page)	R 30.00	R 32.00
TOWNSHIPS	**2014/2015**	**2015/2016**
		NEW TARIFFS
Establishment of a Township		R 3 479.00
Extension of a Township		R 3 479.00
Amendment of Cancelation of a general plan of a township		R 3 479.00
Extension of the validity of time for an approved township		R 686.00
Amendment to a layout plan		R 1 159.90
LAND USE SCHEMES		
Adoption of a land use scheme		R 3 479.00
Amendment of a land use scheme		R 3 479.00

Development situated outside of a scheme		R 2 359.00
USE RIGHTS		
Rezoning		R 1 400.00
Special consent		R 1 159.90
Issue of a zoning Certificate		R 42.00
RESTRICTIVE CONDITIONS		
Removal of restrictive conditions of title		R 1 575.00
SUBDIVISION AND CONSOLIDATIONS		
Subdivision basic fee		R 700.00
Subdivision per erven in addition to basic fee		R 70.00
Consolidation		R 700.00
Consolidation – 5 or more stands in addition to basic fee		R 70.00

RELAXATIONS		
	2014/2015	**2015/2016**
Building line relaxation		R 298.20
Relaxation of a height restriction		R 298.20
Municipal servitude		R 157.50
CLOSURE OF PUBLIC SPACE		
Permanent closure		R 1 400.00
Temporary Closure – Street (exclude funeral)		R 210.00
Temporary closure – Park		R 210.00
OTHER FEES		
Preparation of Service Level Agreements	R 1060.00	R 1,110.88
Spot fine – applicable to buildings after July 2008	R 2550.00	R 2 ,672.40

(enforcement)		
Daily rate for transgression until submission of application for regularisation (enforcement)	R 100.00 / day	R 100.00 / day
Social Housing Max. 50 m^2 (Council Project)	No Charge	
Minor Building Works (as per MBW schedule)	R 295.74	R 309.93
Minimum Plan fee for architectural area ≤ 100 m^2	R 453.68	R 475.45
Building Plan Applications: Architectural Area Of:		
≥ 100m^2 To ≤ 1000m^2	R 22 /m^2	R 22 /m^2
≥ 1000 m^2	R 10 /m^2	R 10 /m^2
Amended plans with no increase in floor area	R 454	R 475.79
Re-submission of lapsed plans without any alterations	R 454	R 475.79
Swimming pools (only)	R 279	R 292.39
Boundary Wall Exceeding 1.80 M in height (above NGL)	R 159	R 166.63
Retaining Walls up to 1.80 M in height (above NGL)	R 106	R 111.08
Retaining Walls Exceeding 1.80 M in height (above NGL)	R 159	R 166.63
Preliminary plans for comment (25 % of applicable fee)	25% of Applicable fee	
INSPECTIONS: Per inspection	R 212	R 222.17
Temporary buildings for each 6 month period during construction phase onsite used, with Council approval (maximum 18 months)	R 1590	R 1,666.32

Details of the Budget are as follow:

TOTAL BUDGET

Total Revenue	R 54 408 132
Own Revenue	R 25 342 132
Grants Revenue	R 29 066 000

TOTAL EXPENDITURE

Operating Expenditure	R 44 076 001
Capital Expenditure	R 10 319 900
Surplus	R 12 231

The Municipality will assist those who require assistance in the determination of rates payable for the 2015/2016 financial year. Copies of the approved budget, tariffs for all charges, budget related policies and by-laws would be available at our office, 32 Arbuckle Street, Himeville, Underberg Library or on our website: www.kwasani.co.za as from the 05 June 2015.

NC James
Municipal Manager
Kwa Sani Municipality